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BUDGET ESTIMATES

FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE

FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 1986



A SEPARATE FROM THE BUDGET OF
THE UNITED STATES GOVERNMENT

1986

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A Separate from the Budget of the United States Government
1986



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TABLE OF CONTENTS

MATERIAL FROM THE 1986 BUDGET:	<i>Page</i>
PART 5—MEETING NATIONAL NEEDS: THE FEDERAL PROGRAM BY FUNCTION	
International Affairs	16
Energy	33
Natural Resources and Environment	42
Agriculture	51
Commerce and Housing Credit	57
Community and Regional Development	78
Income Security: Housing Assistance	114
General Purpose Fiscal Assistance	151
PART 6—PERSPECTIVES ON THE BUDGET	
Fiscal Activities Outside the Federal Budget	7
Comparison of Relatively Uncontrollable Outlays and of Receipts	33
PART 8—THE FEDERAL PROGRAM BY AGENCY AND ACCOUNT	
Department of Agriculture	31
Federal Financing Bank Activities	160
Commodity Futures Trading Commission	189
Farm Credit Administration	190
Budget Totals	216
Footnotes	218
PART 9—SUMMARY TABLES	
Tables 1—12	4
Table 13—Budget Receipts by Source	27
Table 14—Offsetting Receipts by Type	30
Table 15—Outlays by Function and Agency	42
Table 16—Legislative Proposals for Major New and Expanded Programs in the 1986 Budget, Projections of Costs	43
Table 17—Credit Budget: New Direct Loan Obligations and Guaranteed Loan Commitments by Agency	43
Table 18—Controllability of Budget Outlays, 1976-86	44
Table 19—Budget Receipts by Source, 1976-86	46
Table 20—Budget Outlays by Function and Subfunction, 1976-86	48
Table 21—Federal Transactions in the National Income Accounts, 1975-86	57
Table 22—Federal Finances and the Gross National Product, 1977-88 ...	58
Table 23—Composition of Budget Outlays in Current and Constant (Fiscal Year 1972) Prices: 1966-88	59
Table 24—Budget Receipts and Outlays, 1789-1990	60

MATERIAL FROM THE 1986 BUDGET APPENDIX:

Page

Estimates of Current Appropriations in Detail:

Agricultural Cooperative Service	I-E94
Agricultural Marketing Service	I-E79
Agricultural Research Service	I-E7
Agricultural Stabilization and Conservation Service	I-E24
Animal and Plant Health Inspection Service	I-E74
Commodity Credit Corporation	I-E33
Commodity Futures Trading Commission	I-Y10
Cooperative State Research Service	I-E10
Departmental Administration	I-E2
Extension Service	I-E12
Economic Research Service	I-E15
Farm Credit Administration	I-Y18
Farmers Home Administration	I-E49
Federal Crop Insurance Corporation	I-E29
Federal Grain Inspection Service	I-E77
Food and Nutrition Service	I-E88
Food Safety and Inspection Service	I-E86
Foreign Agricultural Service	I-E18
Foreign Assistance Programs (P.L. 480)	I-E21
Forest Service	I-E96
General Provisions:	
Department of Agriculture	I-E109
Forest Service (Administrative Provisions)	I-E109
National Agricultural Library	I-E13
Human Nutrition Information Service	I-E93
Office of Governmental and Public Affairs	I-E5
Office of International Cooperation and Development	I-E19
Office of Rural Development Policy	I-E41
Office of the General Counsel	I-E7
Office of the Inspector General	I-E6
Office of the Secretary	I-E1
Office of Transportation	I-E86
Packers and Stockyards Administration	I-E93
Rural Electrification Administration	I-E42
Soil Conservation Service	I-E66
Statistical Reporting Service	I-E14
Supplemental Proposals for the Current Year	II-2
Working Capital Fund	I-E4
World Agricultural Outlook Board	I-E17
RESCISSIONS	II-41
DETAILED ESTIMATES OF OFF-BUDGET FEDERAL ENTITIES	III-2
ADVANCE APPROPRIATIONS, ADVANCED FUNDING, AND FORWARD FUNDING FOR 1986	IV-2
GOVERNMENT SPONSORED ENTERPRISES:	
Farm Credit Administration	V-2
INCREASED PAY COST FOR THE FISCAL YEAR 1985	II-36

INTERNATIONAL AFFAIRS

A primary responsibility of the Federal Government is protecting and advancing the interests of the United States and its people in international affairs. To fulfill that responsibility, the foreign policy of the United States is directed toward achieving a world order that provides peace, security, and prosperity, in which individuals may enjoy political and economic freedom. International affairs expenditures proposed in this budget support U.S. foreign policy and national security objectives.

For 1986, \$20.6 billion in budget authority is proposed, \$1.3 billion of which is associated with Federal Financing Bank (FFB) direct loans for which guarantee commitments were made under the foreign military sales credit program prior to 1985 and are classified as off-budget under current law. Legislation will be proposed to bring the activities of the FFB on-budget. The FFB does not undertake lending activity on its own initiative. It does so only when another Federal agency guarantees repayment. Therefore, the FFB loans guaranteed under the foreign military sales credit program are classified in the international affairs function, just as other FFB loans are classified in other functions according to the purpose served. No new loan guarantee commitments are proposed for the foreign military sales credit program in any year after 1984. The addendum to the summary table on budget authority shows international affairs programs as they would appear if the foreign military sales credit program during the 1984-88 period were on-budget direct lending.

Outlays for 1986 are estimated to be \$18.3 billion, including \$0.3 billion in net disbursements on FFB loans included in this function. Total outlays in 1985 are estimated to be \$19.6 billion.

For 1986, total new direct loan obligations for international affairs are proposed to be \$8.1 billion, and total new guaranteed loan commitments are proposed to be \$12.2 billion, \$12.0 billion of which is proposed for the Export-Import Bank.

Foreign aid.—Two budget subfunctions—international security assistance and foreign economic and financial assistance—comprise foreign aid.

International security assistance.—Security assistance programs are vital instruments of United States national security and foreign policy, serving to strengthen allied and friendly governments where the United States has special security concerns. These programs make it possible for other governments to strengthen their economies and to acquire and use modern military equipment necessary for their defense. Security assistance also helps ensure U.S. access to military bases and facilities overseas. For 1986, overall

security assistance budget authority of \$10.7 billion is proposed, and outlays are estimated to be \$9.2 billion. Because of their critical support of national security objectives some of these programs do increase over 1985 levels.

Foreign military sales credit (FMSC).—The foreign military sales credit program enables foreign governments to purchase U.S. military equipment, training, and design and construction services for their security needs. In the face of challenges to U.S. interests and economic difficulties in many parts of the world, the budget continues to include a substantial amount for concessional loans to foreign governments for the procurement of U.S. military goods and services.

Prior to this year, most of the foreign military sales credit program consisted of guarantees of off-budget FFB loans to foreign governments. Only forgiven loans (which are the equivalent of grants) to Egypt and Israel used budget authority that was recorded on-budget. Starting in 1985, the technique for financing foreign military sales was changed from guarantees of off-budget FFB loans to direct loans on-budget. Therefore, no new loan guarantees have been made. The amounts of budget authority and outlays for this direct loan program are shown in the “on-budget under current law” lines for foreign military sales credit—\$5.7 billion in budget authority and \$4.9 billion in outlays are estimated for 1986. Of the budget authority, \$1.8 billion is proposed for forgiven loans to Israel and \$1.3 billion for forgiven loans to Egypt.

Starting in 1986, the administration is proposing that FFB activities be brought on-budget as well. The amounts shown in the “off-budget under current law” lines of the tables constitute FFB disbursements on FMSC program loans guaranteed in years prior to 1985: \$3.1 billion in 1985, \$1.3 billion in 1986, and less than \$0.3 billion in 1988. Disbursements net of repayments are treated as outlays: \$2.3 billion in 1985, \$0.3 billion in 1986, and —\$1.0 billion in 1988.

Military assistance.—This grant military aid finances the same types of articles and services as the foreign military sales credit program. It is targeted to countries such as those in Central America where the repayment of loans would impose a severe economic burden. For 1986, budget authority of \$949 million is requested.

Economic support fund.—This program provides loans and grants for general budget and balance of payments support to friendly governments. It also finances individual development projects where doing so would enhance our ability to achieve important national security objectives. The proposed budget authority

NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
Foreign aid:					
International security assistance:					
Foreign military sales credit:					
On-budget under current law.....	1,315	4,940	5,655	5,779	5,901
Off-budget under current law#.....	3,503	3,147	1,311	524	262
Military assistance.....	712	805	949	970	991
Economic support fund.....	3,389	3,841	2,824	2,883	2,941
Other:					
Existing law.....	110	214	108	110	112
Proposed legislation.....				145	278
Offsetting receipts.....	-86	-93	-99	-105	-161
Subtotal, International security assistance.....	8,943	12,854	10,748	10,306	10,324
Foreign economic and financial assistance:					
Multilateral development banks.....	1,324	1,548	1,348	1,348	375
International organizations.....	315	359	196	200	204
Agency for International Development.....	2,013	2,286	2,113	2,133	2,171
Public Law 480 food aid.....	1,377	1,540	1,307	1,296	1,286
Peace Corps.....	117	128	125	128	132
Refugee assistance.....	336	350	338	340	334
Compact of Free Association (Micronesia).....			299	146	148
Other:					
On-budget under current law.....	80	95	96	99	101
Offsetting receipts.....	-493	-459	-479	-604	-660
Subtotal, Foreign economic and financial assistance.....	5,069	5,847	5,343	5,085	4,093
Subtotal, Foreign aid.....	14,012	18,701	16,091	15,391	14,418
Conduct of foreign affairs:					
Administration of foreign affairs.....	1,392	1,897	1,848	1,802	1,855
International organizations and conferences.....	580	545	554	583	559
Other.....	53	65	68	70	75
Subtotal, Conduct of foreign affairs.....	2,025	2,507	2,470	2,455	2,489
Foreign information and exchange activities.....	798	897	1,118	1,296	1,228
International financial programs:					
Export-Import Bank.....	829	3,940			
Foreign military sales trust fund (net).....	-801	734	978	957	1,067
International monetary programs.....	7,774				
Offsetting receipts.....	-84	-85	-87	-89	-90
Subtotal, International financial programs.....	7,718	4,588	891	868	977
Total, budget authority.....	24,553	26,693	20,569	20,010	19,111
ADDENDUM					
International Affairs programs if the Foreign Military Sales Credit program were on-budget direct lending:					
Foreign aid:					
Foreign military sales credit:					
On-budget under current law.....	1,315	4,940	55,655	5,779	5,901
Off-budget under current law.....	4,401				
Other foreign aid.....	9,194	10,614	9,125	9,088	8,254
Subtotal, foreign aid.....	14,910	15,554	14,780	14,867	14,155
Other international affairs programs.....	10,541	7,992	4,479	4,619	4,694
Total.....	25,451	23,546	19,259	19,486	18,849

NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS—Continued

(Functional code 150; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
OUTLAYS					
Foreign aid:					
International security assistance:					
Foreign military sales credit:					
On-budget under current law.....	1,060	2,802	4,863	5,573	5,799
Off-budget under current law#.....	2,818	2,340	282	-693	-1,001
Military assistance.....	928	848	958	972	993
Economic support fund.....	2,874	3,937	2,825	2,850	2,887
Other:					
Existing law.....	331	343	385	396	388
Proposed legislation.....					
Offsetting receipts.....	-86	-93	-99	-105	-161
Subtotal, International security assistance.....	7,924	10,177	9,213	8,993	8,906
Foreign economic and financial assistance:					
Multilateral development banks.....	1,391	1,404	1,387	1,549	1,470
International organizations.....	308	300	266	252	245
Agency for International Development.....	1,779	2,036	2,058	2,061	2,078
Public Law 480 food aid.....	1,085	1,791	1,307	1,296	1,286
Peace Corps.....	111	126	125	127	132
Refugee assistance.....	336	354	339	338	336
Compact of Free Association (Micronesia).....			299	146	148
Other:					
On-budget under current law.....	-33	-23	-19	-12	-*
Off-budget under current law#.....	-5	-5	-5	-1	-*
Offsetting receipts.....	-493	-459	-479	-604	-660
Subtotal, Foreign economic and financial assistance.....	4,478	5,523	5,278	5,153	5,035
Subtotal, Foreign aid.....	12,402	15,700	14,491	14,146	13,941
Conduct of foreign affairs:					
Administration of foreign affairs.....	1,251	1,541	1,831	1,870	1,968
International organizations and conferences.....	580	549	551	578	558
Other.....	51	62	72	70	72
Subtotal, Conduct of foreign affairs.....	1,882	2,152	2,454	2,517	2,598
Foreign information and exchange activities.....	682	941	1,041	1,305	1,278
International financial programs:					
Export-Import Bank:					
Existing law.....	1,068	1,359	608	-680	-1,570
Proposed legislation.....			-5	-7	-11
Foreign military sales trust fund (net).....	-300	-200	100		
International monetary programs.....	565				
Other.....	-340	-284	-253	-286	-314
Offsetting receipts.....	-84	-85	-87	-89	-90
Subtotal, International financial programs.....	910	790	364	-1,062	-1,985
Total, outlays.....	15,876	19,583	18,349	16,907	15,833

*\$500 thousand or less.

#Proposed to be included on-budget.

of \$2.8 billion for 1986 includes \$396 million for direct loans and \$2.4 billion for grants. Budget authority for 1986 is \$1.0 billion less than the amount enacted for 1985. This difference is due in part to the deferral of any funding request for Israel. This request has been deferred since negotiations with Israel are still continuing in an effort to determine the appropriate level of assistance in the context of Israel's plans for economic reforms. As a result of these negotiations, a request will be presented promptly to the Congress along with a description of the necessary economic reforms.

Other.—The budget authority requested in 1986 for security assistance includes \$37 million for peacekeeping operations, \$66 million for international military education and training, and \$5 million for anti-terrorism assistance. No budget authority is requested for 1986 for the guarantee reserve fund, which makes payments to the Federal Financing Bank to prevent losses on foreign military sales credit due to reschedulings or delinquencies. For the future, when additional funds are needed, the administration proposes permanent indefinite budget authority for the fund.

Foreign economic and financial assistance.—An important complement to security assistance is the achievement of international policy objectives through foreign economic and financial assistance programs. These programs are designed to encourage the expansion of a market-oriented international economic system and to help meet the development and humanitarian needs of developing countries. Budget authority requested for 1986 is \$5.3 billion, a decrease of \$0.5 billion from the 1985 level.

Multilateral development banks.—The United States contributes to the World Bank group of institutions and the three regional banks for Latin America, Asia, and Africa. These institutions provided more than \$20 billion in long-term loans and technical assistance in 1984 and promoted sound economic policies in recipient countries. Lending programs are funded through the direct contributions of members and through borrowing in world capital markets backed by callable capital, a means by which developed member governments guarantee repayment of that borrowing. Direct contributions and callable capital are provided in accord with multi-year international agreements to replenish the resources of each bank.

The 1986 request for the banks includes proposed budget authority of \$1.3 billion, plus \$3.6 billion in callable capital. These amounts represent payments on formal commitments previously made to the banks. Approximately one-half of the proposed budget

authority will be used to make the second installment of the seventh replenishment of the International Development Association. A first payment is also proposed to the Inter-American Investment Corporation, a new institution established to provide loan and equity capital to the private sector in this hemisphere's developing countries. Remaining funds will be used to make authorized annual payments to other ongoing bank replenishments. For 1985, an additional \$237 million in budget authority and \$1,219 million in callable capital is being requested to permit the United States to complete its commitments.

The administration intends to honor existing commitments to the multilateral development banks, including the International Development Association, the Asian Development Fund, the African Development Bank and the African Development Fund. In light of the current severe fiscal pressures, the administration is not budgeting at this time for the future replenishments of these particular institutions.

International organizations.—Voluntary contributions of \$196 million are proposed for several developmental, humanitarian and scientific programs carried out by the United Nations and other international organizations. The administration continues to believe that, useful as some of these programs may be, a higher priority must be afforded other foreign assistance activities accomplishing the same objectives.

Agency for International Development (AID).—AID carries out bilateral development assistance programs in more than 60 countries in Latin America, Africa and Asia. The agency also supports the overseas humanitarian relief and development programs of U.S. private and voluntary organizations and assists development-related research activities in U.S. universities. Consistent with fiscal restraint, proposed budget authority for AID programs for 1986 is \$2.1 billion, slightly less than for 1985. Principal objectives of bilateral development programs include supporting sound economic policies in recipient countries, utilizing the private sector as a vehicle for economic growth, improving the capability of indigenous institutions in developing countries, and increasing the use of science and technology in development.

Public Law 480 food aid.—Through concessional loans to foreign governments for food imports and direct food distribution to the needy, food aid serves a wide range of policy objectives, including humanitarian relief, support of security objectives, economic development, and export market development. The budget includes a

request of \$1.3 billion in budget authority for 1986. A significant portion of direct food donations will be devoted to meeting famine relief and refugee needs in Africa. For 1985, the budget contains a supplemental request of \$185 million to meet emergency humanitarian needs in Africa, increasing the budget authority requested for all P.L. 480 food aid to \$1.5 billion. The budget also includes supplemental requests totalling \$50 million for international disaster assistance and emergency refugee aid. These three supplementals, along with the use of previously appropriated funds will result in total U.S. emergency famine assistance to Africa of more than \$1 billion in 1985.

Peace Corps.—Budget authority of \$124 million is requested in 1986, to allow the Peace Corps to maintain its world-wide program and to expand its volunteer program in Central America.

Refugee assistance.—The United States will continue to aid refugees in Africa, the Near East, Pakistan, Latin America, and Southeast Asia and to resettle eligible refugees in the United States. The 1986 budget includes \$338 million for refugee relief abroad and the admission of 68,000 refugees to the United States. Funds for 1986 are also requested to reduce refugee welfare dependency for the first 90 days after arrival in this country. This policy would encourage resettlement organizations to help refugees find employment before they become dependent on welfare. Additional assistance received by refugees once they are settled in the United States is included in the income security function.

Compact of Free Association.—The people of the Federated States of Micronesia and the Marshall Islands have approved the Compact of Free Association negotiated by the United States and their governments. Upon the Compact's enactment by the Congress, the President will notify the United Nations Trusteeship Council of the impending change in status of the two states. The Compact binds the United States to make annual payments to the two states during the next 15 years totaling \$2.3 billion to aid in their successful development as sovereign states. Therefore, budget authority of \$299 million required for 1986 is requested.

Conduct of foreign affairs.—Funds for these programs primarily cover the operating costs of the Department of State in administering United States foreign policy. They also provide contributions assessed by international organizations of which the United States is a member. Budget authority of \$2.5 billion is proposed for 1986, and outlays are also estimated to be \$2.5 billion.

Administration of foreign affairs.—The United States is committed to protecting its employees and facilities at diplomatic missions against the rising incidence of terrorism while continuing to actively promote American interests abroad. To accomplish this important objective, very substantial increases are required in 1985 and 1986 for security personnel, equipment, and embassy construction. Moreover, personnel increases are requested to strengthen the State Department's basic reporting and analysis capability. These improvements in the administration of foreign affairs increase outlays from \$1.3 billion in 1984 and \$1.5 billion in 1985 to \$1.8 billion in 1986.

International organizations and conferences.—The United States recognizes the importance to the world community of a range of international organizations but strongly believes that these international organizations must be managed efficiently and economically. Toward that end, the administration will continue to pursue a restrictive budget policy for international organizations that emphasizes the need to reduce administrative costs and to eliminate low priority and obsolete activities. For 1986, budget authority of \$554 million is proposed for assessed contributions to international organizations and for international conferences. The recent decision of the United States to withdraw from the United Nations Educational, Scientific, and Cultural Organization is reflected in the 1986 and later estimates. In addition, savings of \$48 million in budget authority and outlays for 1988 are estimated from certain planned efforts to reduce international organization assessments, to include reforms in reimbursing organizations for taxes paid by their American employees, and foreign exchange gains.

Foreign information and exchange activities.—The improvement in foreign understanding of American society and United States foreign policy is an important objective of this administration. Its priority is reflected in the budget requests for programs in this area. The United States Information Agency (USIA) conducts academic and leadership exchange programs, broadcasts worldwide through the Voice of America radio in English and 41 other languages, produces and disseminates media materials, holds seminars, and operates libraries and cultural centers in 127 countries. For 1986, the administration proposes \$974 million in budget authority for that agency. This continues the administration's effort to modernize and expand the Voice of America, the Nation's principal vehicle for communicating directly with the peoples of the world. The modernization program totaling \$1.3 billion through

CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Foreign military sales credit:					
New obligations	1,315	4,940	5,655	5,779	5,901
Change in outstandings	-86	421	1,874	2,314	2,494
Outstandings	140	562	2,435	4,750	7,244
Foreign military sales credit (loans made by FFB):					
New obligations ¹	4,401				
Change in outstandings	2,818	2,340	282	-693	-1,001
Outstandings	17,111	19,451	19,733	19,040	18,040
Economic support fund:					
New obligations	288	240	396	463	503
Change in outstandings	335	192	337	303	493
Outstandings	6,011	6,203	6,540	6,844	7,336
Development credit:					
New obligations	455	405	379	395	396
Change in outstandings	80	105	108	355	349
Outstandings	12,165	12,270	12,378	12,733	13,083
Development credit (loans held by FFB): ²					
Change in outstandings	-5	-5	-5	-1	*
Outstandings	11	6	1	*	
Public Law 480 food aid:					
New obligations	806	1,012	922	940	958
Change in outstandings	468	761	647	640	638
Outstandings	9,269	10,030	10,677	11,317	11,955
Export-Import Bank:					
New obligations	1,467	3,865			
Change in outstandings	621	993	195	-1,032	-1,787
Outstandings	17,504	18,497	18,692	17,659	15,872
Other:					
New obligations	614	684	794	824	794
Change in outstandings	243	236	274	285	275
Outstandings	795	1,030	1,304	1,590	1,864
Total, direct loans:					
New obligations	9,347	11,145	8,146	8,402	8,551
Change in outstandings	4,473	5,044	3,712	2,172	1,461
Outstandings	63,006	68,049	71,761	73,933	75,394

1990 includes funds for new transmitter facilities, for replacement equipment on existing facilities and for expanded broadcasts. The request also provides increases for Radio Marti, which broadcasts to the people of Cuba, for the National Endowment for Democracy, for educational and cultural exchange programs, and for the use of international television to enhance understanding of United States foreign policy.

The Board for International Broadcasting provides grants to Radio Free Europe/Radio Liberty, Inc., which broadcasts in 21 languages to Eastern Europe and the Soviet Union. For 1986, \$142 million of budget authority is requested for the Board, which includes \$40 million for modernization of transmitter sites.

CREDIT PROGRAMS—INTERNATIONAL AFFAIRS—Continued

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Guaranteed loans:					
Foreign military sales credit:					
Change in outstandings.....	- 27	- 20	- 20	40	1
Outstandings.....	200	180	160	200	200
Development credit:					
New commitments.....	242	310	195	150	150
Change in outstandings.....	60	158	206	199	197
Outstandings.....	1,294	1,451	1,657	1,856	2,052
Export-Import Bank:					
New commitments.....	7,149	10,000	12,000	12,000	12,000
Change in outstandings.....	245	902	678	1,268	510
Outstandings.....	5,684	6,586	7,264	8,532	9,042
Total, guaranteed loans:					
New commitments.....	7,391	10,310	12,195	12,150	12,150
Change in outstandings.....	277	1,040	864	1,507	707
Outstandings.....	7,177	8,217	9,080	10,587	11,295
Total credit budget (new obligations and new commitments).....	16,738	21,455	20,341	20,552	20,701

*500 thousand or less.

¹ These are obligations made by the agency to guarantee loans that the FFB will disburse. In effect, they are obligations for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

² The direct lending activities of the Overseas Private Investment Corporation are financed by the FFB. Loan assets are issued by the agency. According to law, these assets are backed by loans that the agency continues to service. The agency guarantees the loan assets, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for this account represent acquisition of loan assets less repurchases by the agency. Increases in the volume of sales of loan assets are added to the FFB direct loan outstandings, while the agency's direct loan outstandings decrease by the amount of loan assets sold to the FFB.

International financial programs.—To assist in the steady growth of the international economy, the United States conducts programs to improve the functioning of the international financial system and to facilitate U.S. participation in world trade, including arms sales. For 1986, proposed budget authority is \$0.9 billion, and estimated outlays are \$0.4 billion for these programs.

Export-Import Bank.—The Bank's direct loan program is being eliminated because of significant progress in export credit restraint agreements with foreign governments, and as part of overall efforts to reduce federally subsidized loans. Increased private sector involvement in export financing is encouraged. The Bank will increase its guarantee and insurance programs to facilitate the export of U.S. goods and services. A \$12 billion ceiling for guaranteed loan commitments is proposed for these programs in 1986. In addition, the administration is requesting authority for an interest rate subsidy program. The aggregate 1986 interest rate subsidy cost will not exceed \$100 million on a present value basis plus receipts

from origination fees on affected guaranteed loans. The administration will continue to press for an international agreement ending all officially subsidized export financing.

Foreign military sales trust fund (net).—Most sales of military equipment and services to foreign governments are made by the Federal Government. Income in this trust fund comes from payments by foreign governments that have purchased military goods and services from the Government. Disbursements occur when payments are made to suppliers, and the net of the two constitute the recorded outlays of the fund. These represent transactions on behalf of foreign governments and are not a cost to U.S. taxpayers. Outlays net of offsetting receipts are estimated to be \$100 million for 1986.

Special defense acquisition fund.—This fund finances the procurement of military equipment in advance of specific orders from foreign governments. As a result, equipment on order for U.S. military purposes need not be diverted to meet the pressing needs of foreign countries. For 1986, an increase in the overall fund capitalization and a 3-year limitation on obligations are proposed. Net outlays for 1986 are estimated to be \$36 million.

Tax expenditures.—In an effort to encourage exports, a portion of the profits from the export sales of foreign sales corporations (FSCs) are not subject to tax. In 1984 legislation was enacted authorizing FSCs as a replacement for domestic international sales corporations (DISCs) in response to complaints by the members of the European Community that DISCs violate the General Agreement on Tariffs and Trade (GATT). Also, tax expenditures occur when Americans working abroad are permitted to exclude substantial amounts of earned income and housing allowances from taxation. Tax expenditures resulting from FSCs and the foreign earned-income exclusion are \$1.7 billion and \$2.4 billion, respectively, for 1986. An additional tax expenditure of \$650 million results from the deferral of income tax on the undistributed earnings of foreign corporations controlled by U.S. shareholders. Total tax expenditures for international affairs are \$4.7 billion in 1986.

ENERGY

The Nation requires adequate supplies of energy at reasonable costs. The best way to meet this need is to let market forces work. This policy produces favorable results, as evidenced by developments since January 1981 when the President completed the dismantlement of controls on U.S. oil markets. Oil prices have fallen. The U.S. economy continues to expand, but the amount of energy it needs is less today than it was 5 years ago. It is not necessary to have substantial Federal spending to meet our national energy needs.

This budget provides the resources needed to meet the Federal Government's limited responsibilities with respect to energy. These responsibilities include the establishment and the enforcement of appropriate environmental and nuclear safety regulations, continuation of traditional Federal energy production activities, and support for longer-term research.

A total of \$5.1 billion in budget authority is proposed in this function in 1986, a decrease of \$3.2 billion from 1985. This change results primarily from an indefinite moratorium on further development of the strategic petroleum reserve and a major increase in payments by the power marketing administrations on their obligations to the Treasury.

Energy supply.—The Federal Government's energy supply activities fall into four main categories: research and development programs, direct production programs, subsidies to foster private investment in synthetic fuels, and subsidies to certain electric utilities and telephone systems.

Private industry invests billions of dollars each year in *research and development (R&D)*, including R&D related to energy. Federal Government spending should complement, rather than supplant, private sector R&D investment. It can do this through support for basic research where the benefits of the research do not readily accrue to private investors. It can also do this through limited support for other longer-term R&D that broadly serves the national interest.

A total of \$2.2 billion in budget authority is proposed for energy supply research and development programs in 1986, about at the level for 1985. Virtually all of these programs are funded through the Department of Energy (DOE).

The request for nuclear fission R&D includes budget authority of \$233 million to clean up the waste from uranium mining and other contaminated sites. This is an increase of \$73 million over 1985. For nuclear technology research, budget authority of \$361 million is proposed in 1986, a 12% reduction from the 1985 level. This change reflects a shift away from supporting costly demonstrations

NATIONAL NEED: ENERGY

(Functional code 270; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
Energy supply:					
Research and development:					
Fission.....	635	614	631	742	634
Fusion.....	468	437	390	406	422
Fossil.....	262	287	172	227	235
Solar and renewable energy resources.....	257	242	197	205	212
Energy science.....	594	654	665	722	751
Other.....	44	61	149	152	157
Direct production (net):					
Uranium enrichment.....	382	102			
Nuclear waste disposal fund.....	-11	-793	170	382	181
Petroleum reserves.....	-1,311	-1,019	-1,128	-922	-875
Tennessee Valley Authority.....					
On-budget under current law.....	364	435	403	196	9
Off-budget under current law#.....	137	90	87	73	
Other power marketing.....	75	89	-569	-486	-495
Subsidies for nonconventional fuel production:					
On-budget under current law.....	5	*	*	*	*
Off-budget under current law#.....	428	512	335	499	637
Rural electric and telephone:					
On-budget under current law.....	228	30	28	26	22
Off-budget under current law#.....	2,788	3,332	2,692	2,030	1,750
Proposed legislation.....			-7	-27	
Subtotal, Energy supply.....	5,345	5,073	4,216	4,225	3,641
Energy conservation:					
Conservation research and development.....	150	177	141	144	149
Conservation grants.....	280	282	35	26	17
Solar Energy and Conservation Bank.....	25	15			
Subtotal, Energy conservation.....	455	473	176	169	166
Emergency energy preparedness:					
On-budget under current law.....	618	6	6	49	145
Off-budget under current law#.....	650	2,050			
Subtotal, Emergency energy preparedness.....	1,268	2,056	6	49	145
Energy information, policy, and regulation.....	796	719	712	703	702
Total, budget authority.....	7,865	8,321	5,110	5,147	4,655

and toward developing a broad technology base for several reactor concepts potentially applicable to industrial development of future nuclear power plants.

For nuclear fusion R&D, budget authority of \$390 million is proposed, a reduction of \$47 million from the level enacted in 1985. This reduction is consistent with shifting the emphasis of the program to resolving key scientific questions affecting the program's near-term progress and to maintaining a balance between our domestic efforts and those abroad to allow for effective international collaboration.

NATIONAL NEED: ENERGY—Continued

(Functional code 270; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
OUTLAYS					
Energy supply:					
Research and development:					
Fission.....	723	668	618	746	641
Fusion.....	532	446	401	406	422
Fossil.....	325	319	285	251	248
Solar and renewable energy resources.....	277	315	240	220	215
Energy science.....	632	698	677	701	733
Other.....	84	117	137	145	156
Direct production (net):					
Uranium enrichment.....	12	239			
Nuclear waste disposal fund.....	—58	—812	125	298	99
Petroleum reserves.....	—1,403	—1,026	—976	—931	—883
Tennessee Valley Authority.....					
On-budget under current law.....	185	535	165	135	—35
Off-budget under current law#.....	137	90	87	73	—40
Other power marketing.....	—517	—304	—1,424	—1,381	—1,269
Subsidies for nonconventional fuel production:					
On-budget under current law.....	16	148	318	552	662
Off-budget under current law#.....	366	353	14	—1	—105
Rural electric and telephone:					
On-budget under current law.....	226	31	28	26	23
Off-budget under current law#.....	1,717	3,132	2,482	1,780	1,215
Proposed legislation.....			—7	—27	—52
Subtotal, Energy supply.....	3,252	4,949	3,170	2,994	2,028
Energy conservation:					
Conservation research and development.....	163	152	150	150	150
Conservation grants.....	356	367	196	96	52
Solar Energy and Conservation Bank.....	8	26	35		
Subtotal, Energy conservation.....	527	545	381	246	202
Emergency energy preparedness:					
On-budget under current law.....	189	276	236	177	146
Off-budget under current law#.....	2,329	1,630	148		
Subtotal, Emergency energy preparedness.....	2,518	1,906	385	177	146
Energy information, policy, and regulation.....	790	764	736	710	698
Total, outlays.....	7,086	8,164	4,671	4,127	3,073

* \$500 thousand or less.

Proposed to be included on-budget.

The budget also includes \$172 million in budget authority for research related to coal, oil, gas, and other fossil fuels, a reduction of \$115 million from 1985. This work will continue to emphasize clean coal technologies. Budget authority of \$197 million is proposed for R&D on solar and renewable energy resources, a reduction of \$45 million from 1985.

The reduced level for fossil, solar, and renewable energy resources will still permit a vigorous research program to develop further the technology base for future use by U.S. industry. Spending reductions are made possible by avoiding Federal investment in

costly development and demonstration activities that are more appropriately the responsibility of the private sector.

For energy science programs, the budget includes \$665 million in budget authority in 1986, approximately the same level as in 1985. These programs support energy-related basic research at major universities and DOE national laboratories in the physical, biological, environmental, and engineering sciences. Their goal is to provide fundamental scientific knowledge and a broadened engineering data base for future development of energy technologies.

Other energy supply R&D programs include research on health and safety issues and on advanced environmental control technologies carried out by the Environmental Protection Agency. Investments to reduce the use of energy at the national laboratories are also included. Budget authority of \$149 million is proposed for these programs in 1986. This includes increases for research on acid rain.

The Federal Government's *direct production activities* include enriching uranium in Government-owned plants primarily for use in civilian nuclear power reactors; providing for the permanent disposal of commercial nuclear waste; producing and selling oil and gas from the naval petroleum reserves (NPRs); and generating and transmitting electric power at the Tennessee Valley Authority and the five power marketing administrations.

Receipts from the sale of uranium enrichment services to foreign and domestic customers are expected to cover program costs in 1986. In May 1985, the Department plans to issue a new business strategy for conducting its uranium enrichment operations. The new strategy will include a plan for repayment of the Federal Government's investment in the enrichment enterprise. At present, it is estimated that the uranium enrichment program will begin to make payments to the Treasury in 1986. The specific amount of these payments will be determined later.

The commercial nuclear waste program is financed by a fee on electricity generated by nuclear power plants. Proposed budget authority of \$170 million in 1986 results from expenses of \$571 million which are offset by receipts of \$401 million. In 1985 utilities are expected to make a one-time payment to the nuclear waste disposal fund for the storage of spent fuel that already exists. Receipts in 1985 of \$1,120 million will offset expenses of \$327 million. This large one-time receipt accounts for a net income to the nuclear waste program of \$793 million in 1985.

The budget assumes continued production of oil and gas at the maximum efficient rate of production authorized by law at the NPRs at Elk Hills, California and Teapot Dome, Wyoming. After deduction of expenditures needed to operate these oil fields, net

receipts from the NPR program in 1986 are expected to be \$1.1 billion, in line with their level in 1985. The budget also proposes that the provision of law that earmarks \$0.3 billion in NPR receipts in 1985 for use by the national defense stockpile fund be repealed.

The Tennessee Valley Authority (TVA) anticipates borrowing \$403 million in 1986, \$32 million less than in 1985, to finance construction of two nuclear plants—Watts Bar and Bellefonte. These plants are scheduled to become operational during the next 5 years, completing the nuclear construction program that began in the 1960's. TVA's economic development programs are described in the community and regional development function.

TVA leases nuclear fuel from the Seven States Energy Corporation. The Corporation borrows from the Federal Financing Bank (FFB) to finance its purchases, with TVA as the guarantor through long-term contractual agreements. This activity is summarized on the accompanying credit table.

Various reforms are proposed to assure that the Bonneville Power Administration and the other four power marketing administrations pay back their debt to the Treasury in a business-like way—on a regular and timely basis, and at interest rates that reflect the cost of money to the Federal Government. They would increase Federal receipts by almost \$1 billion in 1986 because of the sizable \$14 billion debt these agencies owe to the Treasury.

The Synthetic Fuels Corporation (SFC) provides *subsidies for nonconventional fuel production*. With long-term world oil price projections showing much less rapid growth than when the SFC was created in 1980, prospects for near-term commercialization of synthetic fuels have diminished substantially. The Congress, therefore, rescinded \$7.4 billion previously available to the Corporation, leaving a total of \$7.9 billion available for SFC obligation at the start of 1985, principally in the form of loan and price guarantees. This amount is in addition to \$741 million already awarded. The Corporation estimates that it will make additional awards totaling \$4.1 billion in 1985 and \$3.6 billion in 1986. Outlays from these and other awards are expected to total \$332 million in 1986. Outlays may increase above these estimates depending on developments in the world oil market, the terms and conditions agreed to by the Corporation, and other factors.

The *Rural Electrification Administration (REA)* in the Department of Agriculture provides direct loans and guarantees of direct loans by the FFB for the construction and operation of rural electric utilities and telephone systems. Total REA loans outstanding, including FFB direct loans, are estimated to be \$37.7 billion at the end of 1985. The reduction in new loan obligations from \$4.5 billion originally estimated for 1984 to \$2.1 billion actually made in 1984

CREDIT PROGRAMS—ENERGY

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Alternative fuels production (loans made by the FFB): ¹					
Change in outstandings.....	404	274			—105
Outstandings.....	1,290	1,564	1,564	1,564	1,459
Tennessee Valley Authority:					
New obligations.....	60	58	66	74	83
Change in outstandings.....	3	2	3	2	8
Outstandings.....	261	263	266	268	276
Tennessee Valley Authority (loans made by the FFB):					
New obligations ¹	137	90	87	73	
Change in outstandings.....	137	90	87	73	—40
Outstandings.....	1,556	1,646	1,733	1,806	1,766
Rural electrification and telephone revolving fund:					
New obligations.....	1,079	1,122	575	435	290
Change in outstandings.....	285	314	98	119	104
Outstandings.....	10,163	10,477	10,575	10,694	10,798
Rural electrification and telephone revolving fund (loans held by FFB): ²					
Change in outstandings.....	69	447	253	53	
Outstandings.....	3,537	3,984	4,237	4,290	4,290
Rural electrification and telephone revolving fund (loans made by the FFB): ¹					
New obligations.....	1,002	1,325	300	225	150
Change in outstandings.....	1,648	2,685	2,222	1,700	1,490
Outstandings.....	20,587	23,272	25,494	27,194	28,684
Geothermal and other:					
New obligations.....	1	36	20	20	20
Change in outstandings.....	—3	32	14	16	16
Outstandings.....	13	45	59	75	91
Geothermal and other (loans made by the FFB): ¹					
Change in outstandings.....	—39	79	14	—1	—1
Outstandings.....	6	85	99	99	98
Total, direct loans:					
New obligations.....	2,279	2,630	1,049	827	543
Change in outstandings.....	2,505	3,923	2,692	1,962	1,472
Outstandings.....	37,413	41,335	44,027	45,990	47,461

and \$2.4 billion estimated for 1985 results from lower than expected demand for electricity and a surplus of electric generating capacity. A continuation of that trend, coupled with the administration's plans for increasing reliance on private financing by rural electric systems, and the eventual phaseout of all REA lending programs by 1990, allows for the further reduction in new loan obligations to \$0.9 billion for 1986. Legislation is being proposed to provide all direct loans at the cost of Treasury borrowing plus 1-1/8%, thus reducing the subsidy now given by the current 5% interest rate.

CREDIT PROGRAMS—ENERGY—Continued

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Guaranteed loans:					
Biomass energy development:					
Change in outstandings.....	168	262	—7	—21	—31
Outstandings.....	213	475	468	446	415
Rural electrification and telephone revolving fund:					
Change in outstandings.....	48	—10	38	30	—10
Outstandings.....	910	900	938	968	958
Synthetic Fuels Corporation:					
New commitments.....		78	419	478	389
Change in outstandings.....		78	419	476	381
Outstandings.....		78	497	973	1,354
Geothermal and other:					
New commitments.....	6	85	80		
Change in outstandings.....	4	69	36	77	—3
Outstandings.....	34	104	140	216	213
Total, guaranteed loans:					
New commitments.....	6	163	499	478	389
Change in outstandings.....	221	399	486	561	337
Outstandings.....	1,158	1,557	2,043	2,604	2,941
Total credit budget (new obligations and new commitments).....	2,285	2,793	1,548	1,305	932

¹ These are commitments made by the agency to guarantee loans that the FFB will disburse. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

² The direct lending activities of the Rural Electrification Administration are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the REA. According to law, these certificates are backed by loans that the agency continues to service. REA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for REA represent acquisition of CBO's less repurchases by REA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the REA direct loan outstandings decrease by the amount of CBO's sold to the FFB.

Energy conservation.—The budget proposes a total of \$176 million in budget authority and \$381 million in outlays in 1986 for programs in this subfunction, including State and local grants and energy conservation research and development.

Energy conservation R&D supports work to develop methods to use energy more efficiently in buildings, transportation, and industrial processes. The programs proposed in the budget are designed to complement the efforts that the private sector has undertaken in response to market forces, and to avoid unnecessary subsidizing of future private efforts. In keeping with this policy, the budget proposes \$141 million of budget authority in 1986 for conservation R&D, a reduction of \$35 million from 1985.

In addition to funding for energy conservation R&D, this subfunction includes State and local government energy grant programs. These grants are used to weatherize school buildings, hospitals, and the homes of low-income families. The budget proposes that these programs be phased out over the next 5 years. In the case of support for low-income weatherization, it assumes increasing reliance on charitable sources and State and local governments.

Schools and hospitals have incentives to undertake these investments without Federal assistance.

The budget also proposes that, for the duration of Federal support, the weatherization and the schools and hospitals programs, estimated to cost \$191 million in 1986, be financed with funds recovered by the Federal Government from petroleum pricing violations under the old oil price control program. Legislation is proposed in the budget to have these recoveries credited directly to the accounts that finance the DOE energy conservation grant programs noted above and to a Department of Health and Human Services (HHS) program that provides help to the poor in paying their fuel bills. Outlays for the HHS low-income energy assistance program are included in the income security function.

Budget authority of \$35 million is requested in 1986 for conservation grants. This covers only the cost of State planning and extension grants and program administration.

Emergency energy preparedness.— Administration policy for dealing with disruptions in oil supplies is to rely on market forces. To supplement this basic approach, the administration has also made a major commitment to building up the strategic petroleum reserve (SPR). Rapid progress has been made in the past 4 years and the SPR is expected to reach a level of almost 500 million barrels by the end of 1985.

World oil market conditions have changed markedly since the SPR was initiated. The world's supply of oil produced outside the Middle East has increased. OPEC is under continuing pressure to cut prices. In light of these significant developments, the SPR can now provide a substantial level of protection in the event of an oil supply disruption. Consequently, the administration is proposing an indefinite moratorium on further development of the strategic petroleum reserve after 1985. This moratorium will be reassessed as warranted as fiscal and oil market conditions change.

The moratorium results in a reduction in budget authority for the SPR in 1986 of \$2.1 billion compared to 1985 and an outlay reduction of \$1.5 billion. Outlays of \$236 million will be used to complete construction of storage facilities and to maintain the reserve in a state of readiness. Another \$148 million in outlays projected for the petroleum reserve in 1986 reflects payments for deliveries occurring at the end of 1985. This amount is currently off-budget but proposed to be included on-budget. Amounts appropriated in prior years but not needed by the program are being proposed for deferral.

Energy information, policy, and regulation.—Budget authority for energy information, policy, and regulation is proposed to be \$712

million in 1986. Included in this total is \$429 million to support the work of the Nuclear Regulatory Commission.

This subfunction also includes, for the Department of Energy, the operating expenses of the Federal Energy Regulatory Commission and the Energy Information Administration, as well as the Department's general administrative expenses.

Tax expenditures.—To encourage energy exploration and production, the tax code permits certain capital costs to be deducted as current expenses rather than amortized over the useful life of the property. In addition, extractive industries are generally permitted to use percentage depletion rather than cost depletion.

A variety of residential tax incentives stimulate energy conservation and encourage conversion to energy sources other than oil or natural gas. Business investments in specified energy property are also eligible for special tax credits, in addition to the normally available investment tax credit.

Tax expenditures for energy are listed in the accompanying table and discussed in more detail in Special Analysis G.

TAX EXPENDITURES FOR ENERGY

(Outlay equivalents; in millions of dollars)

Description	Estimates		
	1984	1985	1986
Expensing of exploration and development costs:			
Oil and gas.....	1,595	2,060	2,245
Other fuels	*	*	*
Excess of percentage over cost depletion:			
Oil and gas.....	1,640	1,545	1,435
Other fuels	550	605	645
Capital gains treatment of royalties on coal.....	165	190	205
Exclusion of interest on State and local industrial development bonds for certain energy facilities	145	155	180
Residential energy credits:			
Supply incentives.....	415	450	175
Conservation incentives.....	325	295	70
Alternative, conservation and new technology credits:			
Supply incentives.....	260	250	135
Conservation incentives.....	5	*	*
Alternative fuel production credit	35	40	45
Energy credit for intercity buses	15	15	5
Special rules for mining reclamation reserves	15	40	45
Total (after interactions), energy ¹	3,665	4,010	3,685

*500 thousand or less.

¹ The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore the estimates cannot simply be added.

NATURAL RESOURCES AND ENVIRONMENT

Federal natural resources and environment programs manage public lands and resources for their preservation, conservation, and economic development; work with State governments to ensure a clean environment; and encourage increased knowledge and understanding of the environment.

Pollution control and abatement.—Efforts to control pollution of air, water, and land are carried out through direct Federal programs and through financial assistance to State and local governments.

Regulatory, enforcement, and research programs.—Proposed budget authority in 1986 for regulatory, enforcement, and research programs is 2% higher than in 1985. This budget continues all the initiatives begun in 1985 and provides a substantial funding increase to implement the Hazardous and Solid Waste Act Amendments of 1984. The budget continues the aggressive development of new hazardous waste regulatory responsibilities that began in 1985; provides for immediate implementation of new enforcement authorities; and supports the ambitious schedules to issue permits required by the new law. Budget authority for the Federal acid rain task force, classified in the energy function, will be increased by 37% to \$85 million in 1986. Major new research activities will be conducted, including a study of the mechanics by which acid deposition may affect forests. Long-term monitoring of sensitive watersheds will be expanded and special studies conducted to determine the factors affecting the rate of lake acidification.

Hazardous substance response fund.—The hazardous substance response trust fund finances the cleanup of abandoned hazardous waste sites and hazardous chemical spills. Budget authority of \$900 million has been included for 1986 as a step toward a \$1.1 billion average annual program level for cleanup over the period 1986-1990. The administration will propose legislation to reauthorize the program at the \$1.1 billion level and to provide dedicated revenues to finance it. No appropriation from general revenues will be requested. It is anticipated that cleanups will be undertaken at 56 sites and emergency responses will be needed at 190 sites in 1986. An annual average of 75 fund financed cleanups is anticipated over the period 1986-1990.

Sewage treatment plant construction grants.—This program assists State and local governments in building sewage treatment systems. The budget requests 1986 budget authority of \$2.4 billion and begins a 4-year phaseout of this program. Grants are planned to be limited to completion of projects currently underway. This

NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT

(Functional code 300; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
Pollution control and abatement:					
Regulatory, enforcement, and research programs	1,140	1,262	1,306	1,328	1,355
Hazardous substance response fund	460	620	900	1,125	1,200
Oil pollution funds	6	9	9	9	9
Sewage treatment plant construction grants	2,435	2,400	2,400	1,800	1,200
Offsetting receipts:					
Existing law	-3	-34	-38	-61	-69
Proposed legislation					-22
Subtotal, Pollution control and abatement	4,037	4,257	4,577	4,201	3,673
Water resources:					
Corps of Engineers:					
Existing law	2,732	2,814	2,404	2,449	2,625
Proposed legislation			403	622	641
Bureau of Reclamation	969	1,054	807	1,009	1,022
Other	236	215	99	16	16
Navigation fees (proposed)			-403	-622	-641
Offsetting receipts	-158	-167	-220	-271	-315
Subtotal, Water resources	3,779	3,916	3,091	3,203	3,347
Conservation and land management:					
Management of national forests, cooperative forestry, and forestry research (Forest Service):					
Existing law	1,749	1,646	1,690	1,713	1,758
Proposed legislation			64	45	46
Management of public lands (BLM)	505	474	384	388	394
Mining reclamation and enforcement	342	373	330	344	357
Conservation of agricultural lands	614	618	372	203	206
Other	305	281	272	278	285
Offsetting receipts:					
Existing law	-2,127	-2,599	-2,650	-2,878	-3,020
Proposed legislation		*	106	110	109
Subtotal, Conservation and land management	1,389	793	569	203	134
Recreational resources:					
Federal land acquisition: ¹					
Existing law	296	254	45	49	49
Proposed legislation			-30	-30	-30
Urban park and historic preservation funds	35	25			
Operation of recreational resources:					
Existing law	1,182	1,285	1,194	1,210	1,235
Proposed legislation				2	3
Offsetting receipts:					
Existing law	-61	-84	-88	-91	-94
Proposed legislation			-51	-53	-55
Subtotal, Recreational resources	1,453	1,480	1,070	1,088	1,107
Other natural resources:					
Program activities:					
Existing law	1,629	1,765	1,539	1,508	1,565
Proposed legislation			90	55	30
Offsetting receipts:					
Existing law	-7	-4	-1	-1	-1
Proposed legislation			-14	-19	-23
Subtotal, Other natural resources	1,622	1,761	1,613	1,543	1,571
Total, budget authority	12,280	12,207	10,920	10,237	9,833

NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND PROTECTING THE ENVIRONMENT—Continued

(Functional code 300, in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
OUTLAYS					
Pollution control and abatement:					
Regulatory, enforcement, and research programs	1,137	1,222	1,288	1,299	1,341
Hazardous substance response fund	285	450	670	925	1,115
Oil pollution funds	3	9	9	9	9
Sewage treatment plant construction grants	2,623	2,740	2,650	2,380	2,200
Offsetting receipts:					
Existing law	-3	-34	-38	-61	-69
Proposed legislation					-22
Subtotal, Pollution control and abatement	4,044	4,387	4,579	4,552	4,574
Water resources:					
Corps of Engineers:					
Existing law	3,096	3,118	2,590	2,449	2,625
Proposed legislation			403	622	641
Bureau of Reclamation	871	1,019	980	1,030	1,037
Other	259	323	215	55	16
Navigation fees (proposed)			-403	-622	-641
Offsetting receipts	-158	-167	-220	-271	-315
Subtotal, Water resources	4,068	4,293	3,566	3,263	3,363
Conservation and land management:					
Management of national forests, cooperative forestry, and forestry research (Forest Service):					
Existing law	1,787	1,875	1,663	1,683	1,728
Proposed legislation			63	43	46
Management of public lands (BLM)	511	469	391	375	394
Mining reclamation and enforcement	206	284	320	349	349
Conservation of agricultural lands	605	630	548	256	236
Other	320	321	277	273	279
Offsetting receipts:					
Existing law	-2,127	-2,599	-2,650	-2,878	-3,020
Proposed legislation		*	106	110	109
Subtotal, Conservation and land management	1,302	979	719	210	120
Recreational resources:					
Federal land acquisition ²	315	342	207	128	92
Urban park and historic preservation funds	89	70	28	9	3
Operation of recreational resources:					
Existing law	1,239	1,294	1,264	1,236	1,238
Proposed legislation				2	3
Offsetting receipts:					
Existing law	-61	-84	-88	-91	-94
Proposed legislation			-51	-53	-55
Subtotal, Recreational resources	1,581	1,622	1,361	1,231	1,185
Other natural resources:					
Program activities:					
Existing law	1,602	1,748	1,621	1,555	1,547
Proposed legislation			55	60	43
Offsetting receipts:					
Existing law	-7	-4	-1	-1	-1
Proposed legislation			-14	-19	-23
Subtotal, Other natural resources	1,595	1,744	1,660	1,595	1,566
Total, outlays	12,591	13,024	11,884	10,852	10,809

*\$500 thousand or less.

¹ Includes budget authority from State grants financed by the land and water conservation fund.

² Includes outlays from State grants financed by the land and water conservation fund.

proposal is consistent with the original mission of the program—to assist communities in eliminating the backlog of needed construction. After phaseout, communities will be expected to finance waste treatment facilities for future population growth through market sources with such assistance as State governments may provide. Legislation will be proposed to implement the phaseout.

Water resources.—Total net proposed budget authority of \$3.1 billion for the Army Corps of Engineers, the Department of the Interior's Bureau of Reclamation, and the Department of Agriculture's Soil Conservation Service (SCS) is a reduction of about 20% from 1985 appropriations. The reduction is primarily due to (1) use of approximately \$200 million of unexpended prior year appropriations to help finance Bureau of Reclamation construction in 1986 at the 1985 freeze level, (2) the declining construction program of the Corps of Engineers, (3) termination of SCS's small watershed program and (4) enhanced cost sharing whereby beneficiaries of Federal water resource projects will pay a greater share of project costs through increased user fees and non-Federal financing. Most of the proposed funding for water resource development covers construction of projects started in previous years and operation and maintenance of completed projects.

Sixteen new construction starts and 16 projects proposed by the administration in prior budgets are included in this budget. For most of these projects, State and local governments and private project sponsors have already demonstrated their intent to pay a greater share of construction costs.

In anticipation of legislation to recover capital and operating/maintenance expenses of the Nation's harbors and inland waterways now financed almost entirely by general tax funds, the budget proposes funding for about \$0.4 billion in construction, as well as operation and maintenance costs from new navigation user fees. These new fees will recover more of the Federal expenditures that subsidize construction and dredging for commercial waterborne transportation.

Navigation services provided by the Corps of Engineers, as well as the Coast Guard and other Federal agencies, are commercial in nature, with benefits and costs quantifiable and beneficiaries identifiable. The administration believes more of the costs of these services can and should be recovered from direct beneficiaries. Also, additional user fees will serve as disincentives for unneeded expansion of the inland and harbor systems and incentives for users to support operating efficiencies wherever possible.

Similarly, other federally constructed water resource projects such as multiple-purpose dams with hydroelectric power, irrigation, flood control, and recreation outputs provide quantifiable benefits to identifiable beneficiaries. These beneficiaries should also pay a greater share of the capital costs of the facilities they use. The budget therefore proposes greater concurrent recovery of construc-

tion-period costs from project beneficiaries, including users of the Nation's commercial navigation system, on a "pay-as-you-go" basis.

The Soil Conservation Service small watershed program provides flood control and drainage facilities that are usually within the financial and engineering capability of non-Federal entities to provide for themselves. These facilities in some cases duplicate services of the Corps of Engineers and often provide added capacity to produce surplus commodities. Funding for this program is therefore proposed for termination in 1986. Flood control and related programs in which there is a Federal interest will remain available through the Corps of Engineers. Direct Federal financial assistance is proposed to be terminated for small agricultural flood control and drainage works in which there is no Federal interest, with resultant savings.

Conservation and land management.—Changes in these programs reflect the administration's efforts to improve the management of the national forests and public lands, to streamline mineral leasing programs, and to place maximum responsibility with the States for surface coal mining regulatory and reclamation programs. A realignment of management responsibilities between the Forest Service and the Bureau of Land Management will result in saving approximately \$30 million in management costs per year when fully implemented. This management realignment involves changes solely within the Federal Government, and will not involve or affect sales or exchanges of land or other resources with non-Federal entities.

Management of national forests, cooperative forestry, and forestry research.—Proposed budget authority in 1986 for direct management of national forests is \$1.7 billion. This amount provides for a decrease in planned program levels in 1986 of \$162 million, after adjusting for funding for forest fire fighting, lapsing accounts, an increase of \$64 million in 1986 because of the transfer of forestry activities of the Bureau of Land Management to the Forest Service. This net decrease occurs primarily as a result of postponement of construction and recreational land acquisition, supplemented by reduced unit costs of timber sale preparation, a 4.5% reduction in timber offered for sale, and termination of forestry grants to States.

The productivity of national forest management will be improved by carefully controlling costs, adjusting management procedures, and paying close attention to benefit-cost relationships. The objective is to produce timber, recreation, and other products or services at the lowest unit costs. Careful attention will be given to both market and nonmarket values of resources, such as water quality, and their associated costs.

Planned timber sales from national forest lands in 1986 of 10.7 billion board feet (BBF), together with the estimated 30 BBF sold

but still uncut at the end of 1985, will be adequate to respond to anticipated housing construction needs in 1986 and subsequent years. Gross receipts from the harvest of timber are estimated to be approximately \$0.9 billion in 1986. Under current law, 25% of these receipts is paid to States for schools and roads in the counties of origin. The administration will propose legislation to deduct appropriate Federal costs from receipts before calculating the share paid to the States, thus converting to a net receipt sharing basis. Federal payments in lieu of taxes on Federal lands, which are classified in the general purpose fiscal assistance function, will continue to be paid to counties.

Budget authority of \$104 million in 1986 for forestry research programs will continue to address high-priority projects while limiting Federal funding for research projects that directly support private industry.

Budget authority for contributions to State and private forestry programs will be reduced from \$58 million in 1985 to \$30 million in 1986. Funding will be retained to provide for national data collection, information dissemination, and limited but specialized technical assistance to States on national problems. General grants to States for fire protection and forestry technical assistance on non-Federal lands are not proposed for 1986.

Management of public lands.—These programs provide for administration of approximately 310 million surface acres of public lands for multiple use and about 370 million acres of federally owned subsurface mineral rights.

In 1986 there are proposed jurisdictional realignments between the Bureau of Land Management and the Forest Service with reductions in Bureau of Land Management programs being offset by increases in Forest Service programs. Continued emphasis will be placed on mineral leasing, realty management, data support systems, and renewable resource activities such as those affecting water, timber, or wildlife, including hazardous waste assessment.

Mining reclamation and enforcement.—A budget authority decrease of \$43 million reflects maturation of the program, balancing annual obligations at a rate that can be sustained each year until 1992, the year of expiration of the statute earmarking receipts for this program. Approximately 450 projects to reclaim abandoned mined lands in 27 States will be financed by the \$250 million request.

Conservation of agricultural lands.—Budget authority for these programs declines 40% in 1986 as a step toward a major restructuring that will sharply reduce Federal costs in future years. Federal financial assistance for soil and water conservation of privately-

owned lands will be terminated and a basic level of Federal technical assistance will be provided for soil and water resource problems. A much greater share of the role in financing and pursuing good soil and water conservation practices on private lands is envisioned for State and local governments and landowners.

Recreational resources.—Net Federal funding for recreation is proposed to be reduced from \$1.5 billion to \$1.1 billion. Land acquisition for parks and refuges is proposed to be reduced from \$220 million to \$13 million in 1986. Discretionary acquisitions for park and refuge purposes are proposed to be deferred for 3 years. Grants to States for acquisition and development of outdoor recreation lands and for support of State historic preservation staffs are not budgeted in 1986. These needs can be met through State, local, and private resources and the positive effect of Federal tax incentives on private investment in historic buildings.

The administration again proposes to increase fees for recreational use of national parks, forests, Corps of Engineers projects and related facilities, so that those who use them will pay more for their upkeep and maintenance than will those taxpayers who do not use them. The agency collecting the user fee receipts will retain them for operation and maintenance of recreation areas. For 1986, recreation receipts, including some receipts not counted in this subfunction, are estimated to be about \$131 million, \$89 million above 1985.

Operation of recreational resources.—The \$1 billion administration initiative to ensure the quality and accessibility of the national parks to all Americans by increasing maintenance and by restoring and constructing facilities has been essentially completed. Therefore, the budget proposes \$106 million to carry out essential maintenance and improvement projects in the national park system. A rescission of the \$100 million in contract authority for park road improvements funded through the highway trust fund and included in the transportation function is proposed because the National Park Service has no road projects remaining on its near-term list of priority improvements and an estimated \$135 million remains unexpended from prior year trust fund allocations. Total 1986 budget authority of \$644 million is proposed to operate and maintain the national park system's 334 parks, covering 75 million acres.

Other natural resources.—These activities focus on the understanding, conservation, and careful husbandry of the Earth's resources, structure, and environment through research and development and information dissemination programs. They comprise ele-

ments of the Geological Survey, the Bureau of Mines, and the National Oceanic and Atmospheric Administration (NOAA).

Requested 1986 budget authority of \$104 million for the Bureau of Mines is less than in prior years, and, as in 1984 and 1985, no funds have been requested for the mineral institute program. Bureau of Mines research activities will be focused on long-term projects with high potential benefit that are more in line with Federal concerns and responsibilities.

Funding for NOAA programs in this category reflects a decrease of approximately 8% in budget authority from \$1,137 million in 1985 to \$1,042 million in 1986. Reductions are proposed for State and industry financial assistance and lower priority research and service programs. Estimated outlays for 1986 are \$1,083 million. This funding maintains priority life safety, resource management and development programs, and atmospheric and oceanic research and services. Increased funding is included to upgrade geostationary weather satellites and improve weather observation and forecasting.

Offsetting receipts.—Offsetting receipts from the entire natural resources and environment function—primarily from user fees, sales of products, rents and royalties—are expected to rise from \$2.8 billion in 1985 to \$3.4 billion in 1986.

Management improvements.—Management improvements are proposed to reduce outlays in this function by more than \$100 million over the next 3 years, primarily through consolidating and streamlining administrative activities.

Credit programs.—The 1986 credit budget proposes a decrease of \$23 million in obligations from 1985 in programs operated by the Bureau of Reclamation. These direct loans are made to State and local governmental entities for construction and rehabilitation of irrigation systems and for storage of municipal or industrial water supplies.

CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Water resources and other loan programs:					
New obligations	52	74	51	51	12
Change in outstandings.....	47	57	48	47	1
Outstandings.....	418	475	523	570	571
Total credit budget (new obligations)	52	74	51	51	12

Tax expenditures.—As an incentive to encourage production, certain capital costs associated with exploration and development of nonfuel minerals may be expensed rather than depreciated over the life of the asset. In addition, most nonfuel-mineral extractors use percentage depletion, rather than cost depletion. Percentage depletion is more generous than cost depletion in that total deductions are not limited to the cost of the investment. The total estimates for these two provisions are less than \$2.5 million and \$625 million, respectively, in 1986.

Interest on State and local government debt issued to finance the pollution control and waste disposal facilities of private firms is excluded from income subject to tax; the resulting estimate for 1986 is \$1.3 billion.

A special 25% tax credit is available for expenditures made to restore certain historic structures. The 1986 estimate of \$550 million for this provision includes the remaining tax subsidies from special depreciation treatment available under prior law.

Special benefits are provided to the timber and iron industries in order to encourage production. The gains on the cutting of timber and royalties from iron ore deposits are taxed at capital gains rates, which are lower than rates on ordinary income. For 1986, this results in a tax expenditure of \$720 million and \$35 million, respectively. Private forestry is additionally encouraged because a limited amount of reforestation expenditures are eligible for special tax credits and write-offs. This tax expenditure is \$55 million in 1986.

Tax expenditures for natural resources and environment total an estimated \$2.7 billion in 1986.

AGRICULTURE

Federal programs in this function help meet domestic and international trade demands for food and fiber while mitigating the adverse effects of price fluctuations on farmers. The administration's budget and legislative proposals are intended to foster a more competitive agricultural sector, while reducing the cost of the present ineffective patchwork of farm programs. These goals would be accomplished by eliminating the costly duplication of subsidies that now distort agricultural markets and harm U.S. farm sales overseas.

Existing programs artificially prop up agricultural commodity prices with Commodity Credit Corporation (CCC) price support loans, and guarantee high revenues with above-market CCC "target prices" for all the production of participating farmers. In addition, farmers are offered federally subsidized insurance against crop losses from natural hazards and low-cost credit from the Farmers Home Administration (FmHA) for continuing and expanding farm operations. As a result of these production incentives, an excess supply of crops is produced and the surplus commodities are bought and stored by the Government.

To help prevent an excessive buildup of farm stocks, other existing programs offset the production incentives caused by the Government subsidies described above by paying for acreage reductions. These CCC-funded supply control measures provide more cash to farmers to help reduce excess production.

The combination of these two domestic actions—Government subsidies to encourage production and other Government subsidies to reduce excess production—raise U.S. prices well above world market clearing levels. To offset the market effect of these double subsidies an additional CCC export credit subsidy is offered so that foreign buyers may pay less for U.S. farm produce. This total system of Federal intervention is very costly to taxpayers, yet provides inadequate response to the needs of the farm sector.

The administration's major proposals are:

- to reform CCC domestic and international agricultural subsidy programs to enable farmers to earn their income in the commercial marketplace without high Federal price supports or supply control; and
- to scale down Federal Government intervention and subsidy in other areas of agriculture, particularly in credit, insurance, applied research, and other business services.

Farm income stabilization.—This area represents 87% of estimated 1986 outlays in the agriculture function.

NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
Farm income stabilization:					
Commodity price support and related programs:					
Existing law	210	13,048	11,316	14,343	15,283
Proposed legislation			-1,821	-5,874	-7,578
Crop insurance:					
Existing law	360	359	374	436	465
Proposed legislation			-118	-257	-328
Agricultural credit:					
On-budget under current law	2,517	1,935	1,478	1,932	2,068
Proposed legislation					-44
Off-budget under current law#	6,805	5,332	926	800	800
Proposed legislation			-760	-800	-800
Other programs and unallocated overhead	54	51			
Subtotal, Farm income stabilization	9,945	20,724	11,395	10,579	9,866
Agricultural research and services:					
Research programs	805	782	738	769	791
Extension programs	334	343	265	271	276
Marketing programs:					
Existing law	126	127	125	125	125
Proposed legislation			-24	-28	-32
Animal and plant health programs:					
Existing law	278	281	247	247	226
Proposed legislation			-12	-12	-12
Economic intelligence	185	190	186	192	198
Other programs and unallocated overhead:					
Existing law	196	213	209	207	207
Proposed legislation			-2	-2	-2
Offsetting receipts	-80	-91	-90	-89	-89
Subtotal, Agricultural research and services	1,843	1,845	1,643	1,680	1,689
Total, budget authority	11,788	22,569	13,038	12,259	11,555

Commodity price support and related programs.—Price support and related programs were created to stabilize, support, and protect farm income and prices, and to facilitate the orderly distribution and maintenance of a balanced and adequate supply of agricultural commodities and their products. CCC provides price and income support to producers of agricultural commodities through loans, purchases, payments, and other means.

The administration proposes to set both price support loan rates and target prices in alignment with market prices. This should reduce the need for mandatory acreage reductions and paid diversions while still providing price stability. Furthermore, the elimination of artificially high prices should increase U.S. exports, thus reducing the need for further export subsidies. During the next few years, however, some planting limitations and export credit programs will be necessary until supply becomes more in balance with demand and market clearing price levels are attained. The proposal will limit payments and loans so that the proportion of farm

NATIONAL NEED: IMPROVED AGRICULTURE—Continued

(Functional code 350, in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
OUTLAYS					
Farm income stabilization:					
Commodity price support and related programs:					
Existing law	7,364	15,081	12,360	14,343	15,283
Proposed legislation			-1,821	-5,874	-7,578
Crop insurance:					
Existing law	576	421	349	391	442
Proposed legislation			-101	-198	-309
Agricultural credit:					
On-budget under current law	2,478	1,609	1,243	1,936	1,889
Proposed legislation			-44	-51	-53
Off-budget under current law#	1,410	1,175	-324	-2,377	-2,288
Proposed legislation			-760	-800	-800
Other programs and unallocated overhead	50	58	35	6	
Subtotal, Farm income stabilization	11,877	18,344	10,937	7,376	6,586
Agricultural research and services:					
Research programs	726	760	784	758	779
Extension programs	330	342	267	271	276
Marketing programs:					
Existing law	120	126	125	125	125
Proposed legislation			-25	-28	-32
Animal and plant health programs:					
Existing law	296	283	250	251	233
Proposed legislation			-12	-12	-12
Economic intelligence	172	189	185	191	197
Other programs and unallocated overhead:					
Existing law	172	212	211	209	208
Proposed legislation			-2	-2	-2
Offsetting receipts	-80	-91	-90	-89	-89
Subtotal, Agricultural research and services	1,736	1,821	1,691	1,673	1,682
Total, outlays	13,613	20,165	12,629	9,049	8,268

#Proposed to be included on-budget.

income protected will be much larger for small family farmers than for large corporate-style operations.

If present programs were unchanged, budget outlays for CCC would total \$73 billion over the 1986 to 1990 period. The administration's proposed budget and legislative program would reduce outlays by \$39 billion over the same period.

The value of agricultural exports in 1984 was \$38 billion, while imports totaled \$19 billion, resulting in a positive agricultural trade balance of \$19 billion. The sheer magnitude of these exports mandates the continued reliance on free-market commercial exports as the driving force in the success of U.S. agricultural trade. Nevertheless, export credit assistance is provided by CCC for the relatively small portion of export sales that could not occur without federally subsidized credit. Total export credit planned for 1986 is \$5 billion. This is 145% over the 1981 level of total CCC export credit assistance. The CCC guarantee fee will be increased to 5% in

1986, providing \$220 million a year in additional revenue, as part of an administration effort to put Federal credit programs on a more comparable basis with private credit.

Crop insurance.—The Federal Crop Insurance Corporation offers insurance to producers against crop losses from natural hazards. All-risk crop insurance is now available in all 3,000 agricultural counties. Insurance in force is expected to reach \$10.1 billion in 1986, an increase of \$1.5 billion over the 1985 estimate. Outlays will depend primarily on the weather, the number of participants, and crop prices. The budget proposes a 5-year phaseout of Federal operating costs and premium subsidies in an effort to put crop insurance on a full “pay-as-you-go” basis by 1990.

This proposal will enhance the administration’s efforts to develop a fully commercial-type crop insurance program. The share of insurance volume delivered by private reinsurance companies has increased from a level of 4% in crop year 1981 to about 70% anticipated for crop year 1985. The proposal would provide more efficiency in the areas of product pricing and delivery.

Agricultural credit.—The Nation relies primarily on private credit for agriculture as in other sectors of the national economy. However, the Federal Government provides 16% of total farm credit, primarily for family farmers with limited resources. At the end of 1984, outstanding FmHA agricultural credit insurance fund direct loans totaled \$25.9 billion. FmHA has lent about 53% of this outstanding amount during the last 10 years. In 1984 alone, new direct lending totaled \$4.0 billion, with 26% of this amount going for disaster loans.

In response to the financial difficulties of some farmers, the President recently implemented several credit initiatives to restructure farm debt, thereby enabling farmers to avoid bankruptcies and foreclosures. This includes restructuring and deferring payments on FmHA loans, new Federal guarantees of troubled farm loans that have been written down by private lenders, and credit counseling for farm borrowers.

Farm operating direct and guaranteed loan activity in 1986 is estimated to be \$3.4 billion. This level is about \$850 million over the 1985 level, and reflects a shift in emphasis from direct subsidized loans to guarantees of private loans. In addition, legislation will be submitted to provide emergency disaster loans only where Federal crop insurance is not available. These actions will reduce the Federal cost and staffing requirements to administer the program while still ensuring the availability of credit to those qualified family farmers who cannot stay in business without Federal lending assistance. The FmHA guarantee fee will be increased to

CREDIT PROGRAMS—AGRICULTURE

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Commodity price support and related loans (CCC):					
New obligations	5,461	9,216	8,507	7,928	5,345
Change in outstandings	-6,249	1,582	-1,167	-2,971	-2,528
Outstandings	9,758	11,340	10,173	7,202	4,674
Agricultural credit insurance fund (FmHA):					
New obligations	4,005	3,770	435	318	294
Change in outstandings	131	1,392	-1,065	800	.....
Outstandings	410	1,802	737	1,537	1,537
Agricultural credit insurance fund (loans held by FFB): ¹					
Change in outstandings	1,410	1,175	-1,084	-3,177	-3,088
Outstandings	25,517	26,692	25,608	22,431	19,343
Total, direct loans:					
New obligations	9,465	12,986	8,942	8,246	5,639
Change in outstandings	-4,707	4,149	-3,315	-5,348	-5,616
Outstandings	35,685	39,834	36,518	31,170	25,554
Guaranteed loans:					
Export credit (CCC):					
New commitments	4,179	5,000	5,000	5,000	5,000
Change in outstandings	332	2,741	1,615	954	.....
Outstandings	4,690	7,431	9,046	10,000	10,000
Agricultural and emergency credit (FmHA):					
New commitments	443	706	3,000	3,000	3,000
Change in outstandings	103	6	1,378	3,000	3,000
Outstandings	1,128	1,134	2,512	5,512	8,512
Total, guaranteed loans:					
New commitments	4,622	5,706	8,000	8,000	8,000
Change in outstandings	435	2,747	2,993	3,954	3,000
Outstandings	5,818	8,564	11,558	15,512	18,512
Total credit budget (new obligations and new commitments)	14,087	18,692	16,942	16,246	13,639

¹ The direct lending activities of the Farmers Home Administration (FmHA) are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the FmHA. According to law, these certificates are backed by loans that the agency continues to service. FmHA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for ACIF represent acquisition of CBO's less repurchases by FmHA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the FmHA's direct loan outstandings decrease by the amount of CBO's sold to the FFB.

5% in 1986, providing about \$120 million a year in additional revenue.

Outlays arising from direct loans in the agricultural credit insurance fund are financed through the Federal Financing Bank. These outlays, formerly off-budget, are now included in the Federal budget totals.

Agricultural research and services.—Research helps to increase agricultural productivity and to expand knowledge of human nutrition and food safety. The 1986 research program will place higher priority on long-term basic research. Applied research and develop-

ment with early profit potential will receive reduced Federal effort, since this is more appropriately financed by private industry.

Extension programs.—The Extension Service disseminates agricultural research and other information to farmers and consumers, and supports home economics, agriculture-related youth programs, and technical assistance to governments of rural communities. About one-third of its cost is financed by Federal grants to States. For 1986, budget authority is proposed at \$265 million, a reduction of \$79 million or 23%, from 1985. Program priorities should focus on the transfer of basic agricultural research information to farmers. To the extent that other extension service programs are deemed needed at 1985 levels, the additional costs can be met by the other cooperating parties in this program—States, counties, and private donors.

Marketing programs.—The Federal Government provides a variety of services to aid in the orderly marketing of farm products such as grain inspection and weighing; tobacco inspection; cotton classification; and meat, poultry, and livestock grading. Most of these services are now provided on a user fee basis. Legislation will be proposed to place more of them on a user fee basis, including compliance and standardization for Federal grain inspection, market news information and other activities of the Agricultural Marketing Service, and investigations of market fraud involving packers and stockyards.

Animal and plant health.—The Federal Government carries out a number of programs to prevent the introduction and spread of plant and animal pests and diseases that can cause severe losses in crop yields or livestock. The budget includes funds to support the eradication of brucellosis infection in domestic livestock through a disciplined Federal-State-industry cooperative program. The goal is to completely eradicate the disease over the next few years after which the Federal role will be reduced to surveillance only. User fees are proposed for services rendered through the veterinary biologics program and funding for the animal welfare program will be eliminated.

Tax expenditures.—Agriculture is promoted by several tax expenditures. The tax code permits farmers to treat certain capital outlays as current expenses, such as those for feed, fertilizer, and planting, and allows capital gains treatment on the sale of certain farm assets rather than treating them as ordinary income. The 1986 estimates for these two provisions are \$715 million and \$820 million, respectively. The tax expenditures for agriculture are \$1.4 billion in 1986.

COMMERCE AND HOUSING CREDIT

There is a recognized national need to promote the private financing of mortgage credit and to support an environment in which there are fair and equitable opportunities for business development and growth. Commerce and housing credit programs supplement private sector financing of business and housing. Assistance is provided for mortgage credit, deposit insurance, and other forms of commerce.

This budget reflects the administration's proposals to reduce domestic spending while enhancing the efficient and effective use of limited Federal credit resources by:

- ensuring a strong private economy by acting only as a lender of last resort for persons unable to obtain credit through private sector credit markets;
- terminating new rural housing assistance provided by the Farmers Home Administration, relying instead on programs in the Department of Housing and Urban Development to meet future rural housing needs;
- maintaining the availability of the Federal Housing Administration mortgage insurance programs while increasing revenues available to the mortgage insurance fund; and
- proposing to eliminate credit programs of the Small Business Administration (SBA) that duplicate assistance provided more effectively by the private sector, and transferring many of the remaining SBA programs to the Department of Commerce.

To prevent the Government and Government-sponsored enterprises from competing unfairly with the private sector in the secondary mortgage market, the administration is proposing a fee on borrowings and on mortgage-backed security issues of the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA). The improved competition these fees would promote should allow the entire secondary mortgage market to keep pace with changes in an increasingly deregulated financial environment.

A variety of management reform initiatives are underway or planned. Improvements in the Department of Commerce and the Department of Housing and Urban Development (HUD) include consolidating administrative services, integrating and improving financial accounting and management systems, and evaluating specific functions to determine whether they can be accomplished more efficiently by the private sector.

The budget proposes \$7.8 billion in 1986 budget authority and \$2.2 billion in estimated outlays for commerce and housing credit. Mortgage credit and deposit insurance programs and activities are

NATIONAL NEED: COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
Mortgage credit and deposit insurance:					
Mortgage purchase activities (GNMA)	101	*			
Mortgage credit (FHA)	66	208	128	152	274
Housing for the elderly or handicapped	557	564	20	7	565
Rural housing programs:					
On-budget under current law	2,606	2,275	2,280	2,515	2,594
Off-budget under current law#	5,020	4,445	26	30	30
Federal Savings & Loan Insurance Corp. and other	700				
National Credit Union Administration	381	46	20		
Subtotal, Mortgage credit and deposit insurance	9,430	7,539	2,473	2,703	3,462
Postal Service:					
On-budget under current law	879	1,041	39	38	36
Off-budget under current law#:					
Existing law	919	1,403	1,575	264	465
Proposed legislation			213	513	737
Subtotal, Postal Service	1,798	2,443	1,827	815	1,238
Other advancement of commerce:					
Small and minority business assistance:					
On-budget under current law	651	775	318	159	20
Proposed legislation			1,794	-21	14
Off-budget under current law#	373	625	375		
Science and technology	331	344	326	351	350
Economic and demographic statistics:					
Existing law	194	196	223	295	377
Proposed legislation				*	*
International trade and other:					
Existing law	486	515	487	485	492
Proposed legislation			-1	-1	-1
Subtotal, Other advancement of commerce	2,036	2,455	3,522	1,268	1,251
Total, budget authority	13,264	12,437	7,822	4,786	5,952

a major portion of the assistance, with \$2.5 billion in proposed budget authority in 1986. In addition, the budget proposes \$1.9 billion in direct loan obligations and \$33.1 billion in guaranteed loan commitments.

Mortgage credit and deposit insurance.—The most significant contribution the Federal Government can make to both the housing industry and individual homebuyers is to promote prudent fiscal and monetary policies that support stable, noninflationary economic growth and reasonable interest rates. Hence, the focus of Government mortgage credit programs will be on areas the private sector does not serve.

Mortgage-backed securities.—The Government National Mortgage Association (GNMA) supports the mortgage market through guarantees of mortgage-backed securities. For 1985, a new loan guaran-

NATIONAL NEED: COMMERCE AND HOUSING CREDIT—Continued

(Functional code 370; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
OUTLAYS					
Mortgage credit and deposit insurance:					
Mortgage-backed securities (GNMA)	-186	-241	-298	-371	-439
Mortgage purchase activities (GNMA)	842	-441	-447	-444	74
Mortgage credit (FHA)	-366	-802	-1,330	-1,546	-1,700
Housing for the elderly or handicapped	661	572	590	444	290
Rural housing programs:					
On-budget under current law	2,340	2,229	2,492	2,612	2,629
Off-budget under current law#	1,090	2,335	-180	-1,192	-1,236
Federal Deposit Insurance Corporation	-248	-1,000	-1,500	-2,000	-2,500
Federal Savings & Loan Insurance Corp. and other	-561	350	57	105	-85
National Credit Union Administration	193	-822	-96	-124	-135
Subtotal, Mortgage credit and deposit insurance	3,766	2,179	-713	-2,517	-3,103
Postal Service:					
On-budget under current law	879	1,041	39	38	36
Off-budget under current law#:					
Existing law	360	320	965		
Proposed legislation			213		
Subtotal, Postal Service	1,239	1,361	1,217	38	36
Other advancement of commerce:					
Small and minority business assistance:					
On-budget under current law	725	872	321	218	80
Proposed legislation			2,103	-81	-47
Off-budget under current law#	254	500	-1,735	-10	-10
Science and technology	260	337	319	345	350
Economic and demographic statistics:					
Existing law	194	210	214	270	347
Proposed legislation				-*	-*
International trade and other:					
Existing law	479	527	481	573	519
Proposed legislation			-1	-1	-1
Subtotal, Other advancement of commerce	1,913	2,447	1,702	1,315	1,238
Total, outlays	6,917	5,987	2,206	-1,164	-1,829

*\$500 thousand or less.

#Proposed to be included on-budget.

tee commitment limitation of \$68.3 billion has been enacted, and guarantees are expected to be issued on about \$38.2 billion in securities. These securities are backed by pools of mortgages that are either insured by the Federal Housing Administration or guaranteed by the Veterans Administration. For 1986, the administration proposes to retain the new commitment limitation at \$68.3 billion. About \$51.1 billion of commitments are expected to be made, as shown in the credit programs table at the end of this section. Table F-20 of Special Analysis F, "Federal Credit Programs," shows the estimated new loans guaranteed of \$36.5 billion.

The budget also reflects a proposal to increase the guarantee fee that GNMA charges mortgage-backed securities issuers by 9 basis points, from 6 to 15. This proposed fee is closer to that charged by

other issuers of mortgage-backed securities and is part of a Government-wide effort to facilitate additional private sector activity in the secondary mortgage market for home mortgages.

Similar fees are being proposed for the FHLMC and FNMA. The administration also remains committed to the total privatization of these two housing-related, Government-sponsored enterprises, which receive special advantages in the securities markets that completely private institutions do not receive.

Mortgage credit.—*The Federal Housing Administration (FHA)* provides mortgage insurance on single-family homes, apartments, mobile homes, and health care facilities. This insurance protects lenders from loss in the event of default on loans and may thereby enable borrowers to obtain loans that might otherwise not be available, or to obtain better loan terms than are available in the absence of this insurance.

The FHA credit program is one of the largest Federal credit operations. The most significant segment of this program is insurance of single-family home mortgages, accounting for about 87% of the total volume of mortgages insured. Single-family mortgages of up to \$90,000 can be insured under the FHA with as little as 4.4% down.

Housing activity is expected to remain strong in 1985 and 1986, with housing starts expected to reach over 1.8 million units in 1986. Total mortgage originations are projected to increase by almost 6% from 1984, reaching a total of about \$215.8 billion in 1986. The limitation on FHA guaranteed loan commitments is proposed to be maintained at \$50.9 billion, the level since 1983. Actual commitments for 1986, however, are anticipated to be about \$32.7 billion, 91% above the 1984 level of \$17.1 billion.

Consistent with the administration's new initiative on credit user fees, beginning in 1986 the premium collected by FHA for its single-family insurance is proposed to be increased from 3.8% to 5.0%. This premium is collected at the time the loan is made and may be paid in cash by the borrower or financed as part of the loan.

The premium will provide additional protection to the FHA insurance fund in the event of unanticipated losses brought about by slower appreciation in home prices, lower homeowner equity, and insurance of riskier mortgages, e.g., adjustable rate and graduated payment mortgages. Since the basic single-family insurance program operates as a mutual fund, premiums not needed to cover losses are ultimately rebated to the borrowers.

The administration will continue to improve and streamline FHA mortgage insurance processing. Fully half of FHA single-family insurance is processed directly by HUD-approved lenders, significantly reducing the time necessary to process FHA loans.

Housing for the elderly or handicapped.—In addition to supporting private market mortgage financing with FHA insurance, HUD provides direct loans to finance the construction of rental housing for the elderly and the handicapped. As part of the spending freeze, the administration proposes a 2-year moratorium on new direct loan obligations, with the program resuming at 10,000 units per year beginning in 1988. Outlays for this program are estimated to be \$572 million in 1985 and \$590 million in 1986 as disbursements are made on prior years' loan obligations. The units constructed under this program also receive section 8 subsidies to make them affordable to low-income elderly or handicapped households. Section 8 subsidies are discussed in the income security function.

Rural housing programs.—The two principal loan programs of the Farmers Home Administration (FmHA) have provided low-interest direct loans to help low- and very-low-income families purchase homes and to support construction of privately-owned rental housing.

The budget proposes a 2-year moratorium on new housing assistance commitments under HUD's programs. In addition, the budget proposes to terminate the FmHA housing assistance programs. At the end of the 2-year moratorium, HUD would expand its role in rural areas and assume full responsibility for these housing assistance needs. Consequently, no new budget authority is proposed for FmHA rural housing programs, with the exception of small amounts to fund expiring rental assistance contracts and to repair single family units occupied by low- and very-low-income FmHA borrowers.

Beginning in 1988, HUD would expand its operations in nonmetropolitan areas, allocating half of its new commitments for assisted units to these areas. Since 1980, approximately 50% of all new federally assisted housing units has been provided to rural communities.

Credit and banking.—A number of programs enhance the safety and soundness of the banking system and affect its responsiveness to the needs of both savers and borrowers. *The Federal Deposit Insurance Corporation* insures the deposits of all federally chartered and many State chartered commercial and savings banks. FDIC-insured banks suffered a record number of failures in 1984. Despite these failures, revenues exceeded losses by \$1.7 billion. While providing \$4.5 billion for the bailout of Continental Illinois, FDIC to date has suffered no loss from this transaction. For 1985 and 1986, fewer failures are expected, with receipts exceeding expenses by \$1.5 billion in each year. However, the continued ability of the FDIC fund to generate income in excess of expenses will

CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Mortgage-backed securities (GNMA):					
New obligations	14	15	16	17	17
Change in outstandings	-1	*	1	1	1
Outstandings	5	6	6	7	7
Mortgage purchase activity (GNMA):					
Change in outstandings	-1,083	-867	-667	-360	-150
Outstandings	2,382	1,515	849	489	339
Mortgage credit (FHA):					
New obligations	456	373	311	368	476
Change in outstandings	-878	21	-112	-57	-28
Outstandings	4,166	4,187	4,075	4,018	3,990
Housing for the elderly or handicapped:					
New obligations	666	600	50	20	567
Change in outstandings	685	567	578	1,060	670
Outstandings	5,155	5,722	6,300	7,361	8,031
Rural housing (FmHA):					
New obligations	2,776	3,448	168	42	170
Change in outstandings	89	-292	313	*	-1
Outstandings	436	144	457	457	456
Rural housing of FmHA (loans held by FFB): ¹					
Change in outstandings	1,090	2,335	-180	-1,192	-1,236
Outstandings	26,766	29,101	28,921	27,729	26,493
Central Liquidity Facility (NCUA):					
New obligations	449	500	550	550	550
Change in outstandings	225	30	20		
Outstandings	270	300	320	320	320
Small business assistance:					
New obligations	751	726	517	424	236
Change in outstandings	20	88	-999	-924	-941
Outstandings	3,340	3,428	2,429	1,505	564
Small business assistance (loans made by FFB):					
New obligations ²	478	680			
Change in outstandings	263	510	-1,725		
Outstandings	1,215	1,725			
Small business assistance (loans held by FFB): ³					
Change in outstandings	-8	-10	-10	-10	-10
Outstandings	40	30	20	10	*
FDIC:					
New obligations	5,658	180	150	300	300
Change in outstandings	3,327	152	111	300	300
Outstandings	3,923	4,074	4,185	4,485	4,785
FSLIC:					
New obligations	656	90	148	140	140
Change in outstandings	587	14	117		
Outstandings	1,156	1,170	1,287	1,287	1,287
Other:					
New obligations	39	15	15	13	13
Change in outstandings	16	7	9	-6	-4
Outstandings	60	68	77	54	50
Total, direct loans:					
New obligations	11,942	6,627	1,923	1,874	2,470
Change in outstandings	4,332	2,556	-2,544	-1,189	-1,398
Outstandings	48,914	51,470	48,926	47,720	46,322

CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Guaranteed loans:					
Mortgage-backed securities (GNMA): ⁴					
New commitments	39,665	53,460	51,110	51,820	52,110
Change in outstandings	24,146	29,690	27,765	25,382	24,748
Outstandings	176,485	206,175	233,939	259,321	284,069
Mortgage credit (FHA):					
New commitments	17,071	30,342	32,737	34,839	36,696
Change in outstandings	9,047	14,768	16,207	18,425	20,032
Outstandings	170,032	184,800	201,007	219,433	239,464
Rural housing (FmHA):					
New commitments	30	25	20	6	4
Change in outstandings	-5	-206	69	6	4
Outstandings	993	787	857	863	867
Small business assistance:					
New commitments	2,998	3,310			
Change in outstandings	80	410	-1,229	-2,410	-1,885
Outstandings	8,859	9,269	8,040	5,630	3,745
FSLIC:					
New commitments	223	246	351	276	209
Change in outstandings	74	176	265	206	149
Outstandings	1,763	1,940	2,204	2,410	2,559
Other:					
New commitments	77	48			
Change in outstandings	-54	-37	-70	-71	-6
Outstandings	205	168	98	27	21
Less guaranteed loans held as direct loans by GNMA: ⁵					
Change in outstandings	-1,083	-867	-667	-360	-150
Outstandings	2,382	1,515	849	489	339
Total, guaranteed loans:					
New commitments	20,399	33,970	33,108	35,121	36,909
Change in outstandings	10,224	15,979	15,909	16,516	18,444
Outstandings	179,470	195,449	211,358	227,874	246,318
Total credit budget (new obligations and new commitments)	32,341	40,597	35,031	36,995	39,379

⁴500 thousand or less.

¹ The direct lending activities of the Farmers Home Administration (FmHA) are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the FmHA. According to law, these certificates are backed by loans that the agency continues to service. FmHA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for RHIF represent acquisition of CBO's less repurchases by FmHA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the FmHA's direct loan outstandings decrease by the amount of CBO's sold to the FFB.

² These are obligations to guarantee loans that the FFB will disburse. In effect, they are obligations for FFB direct loans and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

³ Some direct lending activities of the Small Business Administration were financed by the FFB. Loan assets were issued by the agency. According to law, these assets are backed by loans that the agency continues to service. The agency guarantees the loan assets, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for this account represent acquisition of loan assets less repurchases by the agency. Increases in the volume of sales of loan assets are added to FFB direct loan outstandings, while the agency's direct loan outstandings decrease by the amount of loan assets sold to the FFB.

⁴ GNMA guarantees securities that are backed by pools of loans previously insured by the FHA, the Veterans Administration or the Farmers Home Administration. These secondary guarantees of loans are not added into guaranteed loan totals for the credit budget.

⁵ When guaranteed loans are acquired by a budget account, they become direct loans and are counted as such in this table. This deduction for GNMA eliminates overlap with direct loans presented above.

depend in part on repayments of loans acquired by the FDIC in the Continental Illinois and other transactions.

The Federal Savings and Loan Insurance Corporation, under the direction of the Federal Home Loan Bank Board, insures deposits

COMMUNITY AND REGIONAL DEVELOPMENT

Federal programs for community and regional development support economic and social growth in urban and rural neighborhoods, communities, and regions. The administration believes that the most important stimulus to lasting community and regional development is a sound, expanding economy. The Federal Government's role in achieving such an economy is to undertake responsible fiscal policies that promote sustained growth and ensure limited governmental interference in the private sector decisions that determine where development will occur. The administration continues to believe that any assistance should provide support in a manner that gives primacy to private, State, and local discretion.

Federal policy for community and regional development emphasizes the primary role that private, State, and local resources must play in community and regional development. The administration recognizes that some Federal assistance may be necessary to supplement local resources in meeting essential or urgent needs, but limits must be placed on such aid in light of the stronger fiscal health of State and local governments relative to the Federal Government. Consistent with these policies, the administration proposes to continue the community development block grant program as the principal Federal community and regional development program, because this program gives State and local governments a source of funds with which to supplement other resources in ways that they choose.

For 1986, the administration is requesting budget authority of \$5.1 billion for community and regional development, a reduction of \$2.9 billion from 1985. Outlays are estimated at \$7.3 billion in 1986. For credit programs, new direct loan obligations and guaranteed loan commitments are estimated to be \$445 million and \$20 million, respectively, in 1986.

Community development.—The foremost Federal program in this category is the community development block grant program, which is administered by the Department of Housing and Urban Development (HUD).

Community development block grants (CDBG).—The community development block grant program provides community and economic development support to cities, counties, Indian tribes, and U.S. territories, to be used largely in ways of their choosing. After certain funds are set aside for the Secretary's discretionary fund, which provides grants for Indians, insular areas, and technical assistance in support of CDBG activities, CDBG funds are allocated by formula to States, large cities, and urban counties. Seventy percent of these remaining funds go to the large city/urban county

NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
Community development:					
Community development block grants	3,468	3,472	3,125	3,278	3,412
Community development loans (Off-budget under current law) #	71	113	116	137	69
Urban development action grants	440	440			
Rental rehabilitation grants	300				150
Rental development grants	315				
Other programs:					
On-budget under current law	224	251	263	243	241
Subtotal, Community development	4,818	4,276	3,504	3,658	3,872
Area and regional development:					
Rural development:					
On-budget under current law	1,164	1,109	872	855	891
Off-budget under current law #	1,375	1,297	502	216	248
Economic development assistance	294	49	15	10	6
Indian programs	1,012	1,079	1,044	1,078	1,098
Regional commissions	167	56			
Tennessee Valley Authority	86	118	39	43	50
Offsetting receipts	-273	-283	-282	-297	-299
Subtotal, Area and regional development	3,824	3,426	2,190	1,905	1,994
Disaster relief and insurance:					
Small business disaster loans:					
Existing law			-366	-336	-305
Proposed legislation			-546	-347	-184
Disaster relief	*	100	194	194	194
National flood insurance fund	99	60	78	11	
Other	159	141	74	75	76
Subtotal, Disaster relief and insurance	257	301	-565	-403	-219
Total, budget authority	8,899	8,004	5,129	5,160	5,648

program and 30% to the State-administered small city program. The States receive funds to distribute to their smaller communities and rural areas by methods that they design.

In 1986, the administration proposes to change the statutory distribution between the large city/urban county program and the States program from 70%-30% to 60%-40%. The administration proposes this change to increase the resources with which States may serve rural areas currently served by the Farmers Home Administration. Since the advent of the State CDBG program in 1981, rural areas have received more CDBG funding than under the small cities program previously administered by HUD. Under the proposed distribution formula, budget authority available to the State-administered program will increase from \$1.0 billion in 1985 to \$1.2 billion in 1986. The administration proposes budget authority of \$3.1 billion for the total CDBG program in 1986, a 10% reduction from the 1985 level.

NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(Functional code 450; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
OUTLAYS					
Community development:					
Community development block grants	3,819	3,900	3,520	3,360	3,216
Community development loans (Off-budget under current law) #	31	42	25	23	-59
Urban development action grants	454	500	522	442	320
Rental rehabilitation grants		75	150	75	
Rental development grants		20	112	137	46
Other programs:					
On-budget under current law	216	324	288	184	155
Off-budget under current law #			-1	-2	-2
Subtotal, Community development	4,520	4,861	4,616	4,220	3,676
Area and regional development:					
Rural development:					
On-budget under current law	1,253	1,260	1,154	1,139	1,054
Off-budget under current law #	335	659	458	188	239
Economic development assistance	216	241	158	91	42
Indian programs	1,108	1,154	1,114	1,140	1,140
Regional commissions	221	195	157	108	40
Tennessee Valley Authority	166	143	40	43	50
Other	8	-4	-8	-8	-9
Offsetting receipts	-273	-283	-282	-297	-299
Subtotal, Area and regional development	3,034	3,366	2,792	2,404	2,257
Disaster relief and insurance:					
Small business disaster loans:					
Existing law	-419	-87	-650	-644	-444
Proposed legislation			184	-39	-45
Disaster relief	243	200	194	194	194
National flood insurance fund	146	65	73	26	-7
Other	149	147	114	74	75
Subtotal, Disaster relief and insurance	119	326	-84	-388	-226
Total, outlays	7,673	8,553	7,323	6,235	5,707

*\$500 thousand or less.

Proposed to be included on-budget.

Urban development action grants (UDAG).—The administration proposes to terminate the UDAG program in 1986, as part of the Government-wide effort to cut back local economic development subsidy programs. These subsidies merely assist local governments in their efforts to compete with other areas to attract private investment. Federal funding of programs like UDAG which make judgments on a project-by-project basis have the inappropriate effect of distorting the economic decisions of firms and individuals. Cities may, at their discretion, continue to use CDBG resources to assist economic development projects. The \$522 million in outlays estimated for this program in 1986 reflects the continued spendout of funds for projects approved in prior years.

Rental rehabilitation grants.—In 1983, the administration proposed, and the Congress enacted, a new housing rehabilitation program to support the voucher program in communities with an insufficient supply of standard quality low- and moderate-income housing. A total of \$300 million in budget authority was made available for this program, enough to allow the Federal Government to subsidize up to half the costs of rehabilitating an estimated 60,000 rental housing units by the end of 1986. In light of the proposed 2-year moratorium on vouchers discussed in the income security function, the administration also proposes a 2-year moratorium on the rental rehabilitation grant program. The program would be restarted in 1988 in conjunction with the resumption of the voucher program.

Rental development grants.—In the Housing Urban-Rural Recovery Act of 1983, the Congress created a new rental development grant program to subsidize the construction or substantial rehabilitation of rental housing in low- and moderate-income neighborhoods experiencing a severe shortage of rental housing. This program was funded on a one-time demonstration basis for 2 years, with a total of \$315 million in budget authority made available. The administration does not propose to continue this program because new housing construction is a very expensive way to house the poor relative to more cost-effective approaches that rely on the existing housing stock. Outlays for rental development grants awarded in 1984 and 1985 are expected to reach \$112 million in 1986.

Area and regional development.—Programs in this category support rural development, development programs of American Indian tribal governments, and multi-State regional development.

Rural development.—The administration proposes to scale back the Farmers Home Administration (FmHA) rural development loan and grant programs in favor of HUD's State-administered CDBG program. The FmHA program serves the same population and provides funding for the same purposes as the CDBG program. In addition, the administration is proposing to change the CDBG distribution formula to provide more resources to smaller communities through the States program. Estimated outlays for rural development are \$1.6 billion in 1986.

Economic development assistance.—The Department of Commerce's Economic Development Administration (EDA) provides public works grants to States, communities, and Indian tribes. Since the administration continues to seek the termination of all EDA activities, no new budget authority is requested for 1986, with

the exception of small amounts of funding to cover ongoing administrative expenses associated with the expenditure of obligations made in earlier years. In addition, the administration proposes to rescind any unspent EDA funds. Outlays in 1986 are for projects approved in previous years. EDA project grants lock resources into unproductive areas and industries, thus subsidizing inefficiency.

Funds for locally-derived community and economic development programs will continue to be available in 1986 through the community development block grant program.

Indian programs.—The three major objectives of Federal Indian policy are to meet the trusteeship responsibilities of the U.S. Government, to increase self-determination for American Indian tribal governments, and to encourage economic development on Indian reservations.

Outlays for the Indian programs and miscellaneous trust funds for regional development administered by the Bureau of Indian Affairs are estimated to be \$1.15 billion in 1985 and \$1.11 billion in 1986. The Department of Housing and Urban Development also provides community development support specifically for Indians through a set-aside in the community development block grant program described above. Total outlays for special Indian programs Government-wide, including programs in other functions such as income security and education, are expected to be \$2.8 billion in 1986. This does not include payments received by individual Indians from the miscellaneous trust funds or from programs available to all qualified U.S. citizens.

Appalachian Regional Commission (ARC).—The ARC's programs are intended to support development in the 13-State Appalachia region. The Commission and both its highway and non-highway programs are proposed for termination at the end of 1985. In addition, the administration proposes to rescind uncommitted ARC funds. Since the Appalachian Development Highway System is eligible for funding through Federal aid for highways, States may continue construction of the highways at their discretion. The administration's policy with respect to the ARC reflects reliance on the private sector to provide the major stimulus for economic development and on the user-financed Federal highway program to meet long-run Appalachian highway construction needs.

Tennessee Valley Authority (TVA).—The budget proposes the termination of direct support for TVA's regional economic, community, and agricultural development programs that are more appropriately private or State and local government responsibilities. These programs have included activities such as promotion of tourism, forestry and wildlife, and park operations. To the extent that Federal assistance might be warranted, it can be allocated more equi-

Rental rehabilitation grants.—In 1983, the administration proposed, and the Congress enacted, a new housing rehabilitation program to support the voucher program in communities with an insufficient supply of standard quality low- and moderate-income housing. A total of \$300 million in budget authority was made available for this program, enough to allow the Federal Government to subsidize up to half the costs of rehabilitating an estimated 60,000 rental housing units by the end of 1986. In light of the proposed 2-year moratorium on vouchers discussed in the income security function, the administration also proposes a 2-year moratorium on the rental rehabilitation grant program. The program would be restarted in 1988 in conjunction with the resumption of the voucher program.

Rental development grants.—In the Housing Urban-Rural Recovery Act of 1983, the Congress created a new rental development grant program to subsidize the construction or substantial rehabilitation of rental housing in low- and moderate-income neighborhoods experiencing a severe shortage of rental housing. This program was funded on a one-time demonstration basis for 2 years, with a total of \$315 million in budget authority made available. The administration does not propose to continue this program because new housing construction is a very expensive way to house the poor relative to more cost-effective approaches that rely on the existing housing stock. Outlays for rental development grants awarded in 1984 and 1985 are expected to reach \$112 million in 1986.

Area and regional development.—Programs in this category support rural development, development programs of American Indian tribal governments, and multi-State regional development.

Rural development.—The administration proposes to scale back the Farmers Home Administration (FmHA) rural development loan and grant programs in favor of HUD's State-administered CDBG program. The FmHA program serves the same population and provides funding for the same purposes as the CDBG program. In addition, the administration is proposing to change the CDBG distribution formula to provide more resources to smaller communities through the States program. Estimated outlays for rural development are \$1.6 billion in 1986.

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Appalachian Regional Commission (ARC).—The ARC's programs are intended to support development in the 13-State Appalachia region. The Commission and both its highway and non-highway programs are proposed for termination at the end of 1985. In addition, the administration proposes to rescind uncommitted ARC funds. Since the Appalachian Development Highway System is eligible for funding through Federal aid for highways, States may continue construction of the highways at their discretion. The administration's policy with respect to the ARC reflects reliance on the private sector to provide the major stimulus for economic development and on the user-financed Federal highway program to meet long-run Appalachian highway construction needs.

Tennessee Valley Authority (TVA).—The budget proposes the termination of direct support for TVA's regional economic, community, and agricultural development programs that are more appropriately private or State and local government responsibilities. These programs have included activities such as promotion of tourism, forestry and wildlife, and park operations. To the extent that Federal assistance might be warranted, it can be allocated more equi-

CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Rural development insurance fund (FmHA):					
New obligations	412	511	62	5	243
Change in outstandings	— *	— 5	— 25	15	— 10
Outstandings	105	100	75	90	80
Rural development insurance fund (FmHA) (loans held by FFB): ¹					
Change in outstandings	320	589	360	121	183
Outstandings	7,228	7,817	8,177	8,299	8,482
Economic development assistance:					
New obligations	13	12	10	15	15
Change in outstandings	— 87	— 41	— 72	— 15	— 15
Outstandings	624	582	511	496	481
Small Business Administration disaster loans:					
New obligations	314	600	168		
Change in outstandings	— 536	— 157	— 1,452	— 1,518	— 1,329
Outstandings	4,960	4,803	3,351	1,833	504
Rural Telephone Bank:					
New obligations	143	185	185	139	92
Change in outstandings	74	134	133	149	104
Outstandings	1,327	1,461	1,594	1,743	1,847
Other:					
New obligations	113	154	20	16	17
Change in outstandings	21	55	10	— 95	— 89
Outstandings	1,490	1,544	1,554	1,459	1,370
Other (loans made by the FFB): ²					
New obligations	87	225			
Change in outstandings	31	42	24	21	— 61
Outstandings	242	284	307	329	268
Total, direct loans:					
New obligations	1,082	1,687	445	175	367
Change in outstandings	— 178	616	— 1,022	— 1,322	— 1,216
Outstandings	15,975	16,591	16,569	14,247	13,031

tably by programs administered nationally by other Federal agencies. TVA's basic responsibilities for water resources systems management and the national fertilizer research program would continue. Outlays for TVA's activities in this function are estimated to be \$40 million in 1986, down from \$143 million in 1985. The TVA power program, financed through the sale of electricity, will not be affected by this reduction and is discussed in the energy function.

Disaster relief and insurance.—Providing insurance against losses from floods, hurricanes, tornadoes, and other natural disasters is primarily the responsibility of private insurers. State and local governments aid recovery when necessary, and Federal insurance and disaster relief programs are available to supplement State and local resources when those resources are insufficient.

CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Guaranteed loans:					
Rural development insurance fund (FmHA):					
New commitments	124	150			
Change in outstandings	-183	27	-210	-34	-323
Outstandings	3,206	3,233	3,023	2,989	2,667
Economic development assistance:					
New commitments	11				
Change in outstandings	-137	-54	-45	-34	-34
Outstandings	407	353	308	273	239
Small Business Administration disaster loans:					
Change in outstandings	-5	-3	-1		
Outstandings	4	1			
Other:					
New commitments	19	45	20	10	5
Change in outstandings	-35	44	9	-13	-9
Outstandings	172	216	225	212	204
Total, guaranteed loans:					
New commitments	154	195	20	10	5
Change in outstandings	-360	14	-247	-81	-366
Outstandings	3,789	3,803	3,556	3,475	3,109
Total credit budget (new obligations and new commitments)	1,236	1,882	465	185	372

*500 thousand or less.

¹ Some direct lending activities of the Farmers Home Administration (FmHA) are financed by the Federal Financing Bank (FFB). Certificates of beneficial ownership (CBO's) are issued by the FmHA. According to law, these certificates are backed by loans that the agency continues to service. FmHA guarantees the CBO's, sells them to the FFB, and repurchases them upon maturity. FFB net outlays for RDIF represent acquisition of CBO's less repurchases by FmHA. Increases in the volume of sales of CBO's are added to FFB direct loan outstandings, while the FmHA's direct loan outstandings decrease by the amount of CBO's sold to the FFB.

² These are commitments made by the agency to guarantee loans that the FFB will disburse. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency.

Small business disaster loans.—Small Business Administration (SBA) loans to homeowners and businesses that suffer losses as a result of disasters are proposed for elimination. In many instances, private insurance is available to cover losses. In general, the Federal Government should not provide assistance for losses resulting from normal business risks. The existing portfolio of SBA disaster loans would be transferred to the Department of the Treasury in 1986. Treasury will service, and subsequently sell, these loans. Loan repayments and sales receipts for this program are estimated to exceed gross outlays from prior commitments and other expenses by \$466 million in 1986.

Disaster relief.—The Federal Emergency Management Agency administers this nationwide program, which provides supplemental assistance to individuals and State and local governments in the event of a Presidentially-declared emergency or disaster. In addition, States or Federal agencies may be reimbursed for disaster relief work performed under this authority. Budget authority of \$194 million in 1986 is expected to be sufficient to cover anticipated

payments when combined with existing fund balances of \$177 million.

National flood insurance fund.—The Federal Emergency Management Agency operates a national program of direct Federal flood insurance at subsidized rates. Over the past 5 years, the program has cost approximately \$124 million per year. The administration proposes to continue the phaseout of this costly subsidy by 1988 through a combination of rate increases, coverage changes, and optional deductibles, thereby recovering clearly allocable costs of flood insurance from beneficiaries of this program. Beginning in 1986, administrative and other associated costs of flood insurance will be folded into the flood insurance fund and will be recovered eventually through flood insurance premiums. Outlays for this program are estimated to be \$73 million for 1986.

Tax expenditures.—Direct Federal funding for community and regional development is supplemented by several existing tax expenditures. Under certain conditions, taxpayers may elect to amortize rehabilitation expenditures for low- and moderate-income rental housing over a 5-year period. The 1986 tax expenditure for this provision is \$75 million. Development is also assisted by the exclusion of interest on State and local industrial development bonds for airports and docks, as well as sports and convention facilities. The estimate for this provision is \$420 million in 1986. Special tax credits are also available for rehabilitation of older non-residential buildings. For 1986, the estimate for this program is \$365 million. Total tax expenditures for community and regional development for 1986 are estimated to be \$870 million.

The administration continues to support an enterprise zone program to provide tax incentives for the redevelopment of economically distressed areas. Following enactment, up to 25 small areas per year would be designated "enterprise zones" over a 3-year period. Businesses in the zones would be entitled to exemption from tax for certain gains, and to tax credits for capital investment, for increases in employment, and for hiring disadvantaged employees. A tax credit would also be provided to employees in the zones. The tax expenditure from this proposal, assuming 25 zones are designated in the first year, is estimated to be \$305 million in 1986.

Related programs.—Many programs that fulfill other national needs as their primary purpose also promote community and regional development. For example, Federal outlays for all civil public works projects and grants for health, education, and transportation programs support State and local development. Commu-

nity development is also encouraged by other Federal activities, including defense contracting, management of public forests and parks, and the operation of Federal facilities, such as Veterans Administration hospitals, naval shipyards, and NASA research facilities.

INCOME SECURITY

Federal programs in the income security function help meet the needs of individuals by insuring against loss of income resulting from retirement, disability, death, or unemployment of a wage earner, and by assisting the truly needy who are unable to provide for themselves. The income security function includes retirement and disability programs for Federal civilian and military personnel, railroad employees, and coal miners. Retirement and disability benefits are financed by a combination of employer and employee contributions and direct Federal payments. The income security function also includes unemployment compensation programs and a wide range of housing, food, and cash assistance programs.

General retirement and disability insurance (excluding social security).—This subfunction includes programs that provide retirement and disability benefits for railroad workers and coal miners.

Railroad retirement.—The Railroad Retirement Board (RRB) will administer retirement and disability benefits to 958,000 former railroad employees, their dependents, and survivors in 1986. RRB payments include benefits equivalent to social security, rail industry pensions, and federally subsidized windfall payments. Benefits are financed through payroll deductions by railroad employers and employees, payments from social security trust funds, and direct subsidies from taxpayers. Estimated 1986 outlays of \$4.0 billion include \$392 million for the Federal windfall subsidy component, which represents a subsidy of over \$1,000 per active railroad employee.

The budget proposes legislation to freeze the 1986 cost-of-living adjustment (COLA) on the rail industry pension in 1986, to apply a uniform COLA to all rail industry pension payments beginning in 1987, and to apply the rules for taxing social security benefits only to the portion of railroad benefits that are equivalent to social security. This legislation would end the inconsistency under current law of treating some rail industry pension payments as if they were social security payments.

Legislation reforming sickness and unemployment payments for railroad employees is discussed in the unemployment compensation section below. In addition, some technical and management changes proposed under social security are discussed in the social security and medicare function.

Special benefits for disabled coal miners.—Miners who suffer from chronic dust disease of the lungs—black lung—and who meet specified medical criteria are entitled to monthly cash payments and medical benefits. Cash payments are also made to their de-

NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
General retirement and disability insurance (excluding social security):					
Railroad retirement:					
Existing law	6,436	5,482	5,773	5,135	4,969
Proposed legislation			125	54	-28
Special benefits for disabled coal miners:					
Existing law	2,085	1,345	1,624	1,578	1,599
Proposed legislation			40	10	-62
Other	48	58	68	76	87
Subtotal, General retirement and disability insurance (excluding social security)	8,570	6,886	7,630	6,853	6,565
Federal employee retirement and disability:					
Civilian retirement and disability programs:					
Existing law	36,727	39,978	41,485	43,768	46,193
Proposed legislation			157	43	198
Military retirement: ¹					
Existing law	16,512	27,095	29,977	33,199	36,431
Proposed legislation		51	54	53	52
Federal employees workers' compensation (FECA):					
Existing law	216	207	255	254	289
Proposed legislation			-22	-47	-48
Subtotal, Federal employee retirement and disability	53,455	67,331	71,906	77,270	83,115
Unemployment compensation:					
Existing law	24,320	20,987	21,195	21,989	21,639
Proposed legislation			76	107	121
Subtotal, Unemployment compensation	24,320	20,987	21,271	22,096	21,760
Housing assistance:					
Subsidized housing	9,467	10,759	499	1,904	5,181
Public housing operating subsidies	1,718	885	1,011	999	999
Low-rent public housing loans:					
On-budget under current law	1,120	14,949	1,847	1,344	280
Proposed legislation		-350	-25	50	354
Off-budget under current law#	153				
Other housing assistance	213	158	96	94	94
Subtotal, Housing assistance	12,671	26,401	3,428	4,392	6,908

pendents and survivors. The basic monthly cash payment is based on the GS-2 Federal salary level. Although Federal civilian salaries are proposed to be reduced by 5%, the budget proposes to hold black lung benefits at their current levels during 1986. Total outlays are estimated to be \$1.7 billion in 1986.

Some but not all of the benefits are paid by the black lung disability trust fund, which is financed by a fee on coal production. This trust fund is projected to have a deficit of \$2.9 billion at the end of 1985. The budget proposes an increase in the coal fee to stabilize the deficit at about that level through 1990.

NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600, in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
Food and nutrition assistance:					
Food stamps and aid to Puerto Rico:					
Existing law	12,548	12,568	12,701	13,167	13,700
Proposed legislation			—20	—42	—65
Child nutrition and other programs:					
Existing law	5,687	5,981	6,274	6,669	7,086
Proposed legislation			—686	—925	—1,018
Subtotal, Food and nutrition assistance	18,235	18,549	18,268	18,869	19,703
Other income security:					
Supplemental security income	8,651	9,210	9,861	10,279	11,542
AFDC and child support enforcement:					
Existing law	8,862	8,919	8,926	9,471	9,690
Proposed legislation			—180	—159	—151
Earned income tax credit	1,193	1,054	1,255	1,175	1,112
Refugee assistance	542	405	317	322	313
Low income home energy assistance:					
Existing law	2,075	2,100	2,100	2,188	2,276
Financing from petroleum overcharges (proposed)			—809	—857	—905
Other	265	203	174	164	166
Subtotal, Other income security	21,588	21,891	21,643	22,583	24,043
Total, budget authority	138,838	162,045	144,147	152,063	162,093
OUTLAYS					
General retirement and disability insurance (excluding social security):					
Railroad retirement:					
Existing law	3,716	3,895	4,057	4,065	4,227
Proposed legislation			—34	—61	—82
Special benefits for disabled coal miners:					
Existing law	1,692	1,714	1,629	1,589	1,598
Proposed legislation			40	7	—56
Pension Benefit Guaranty Corporation:					
Existing law	—10	—12	9	14	29
Proposed legislation		—145	—184	—206	—231
Other	44	53	63	72	83
Subtotal, General retirement and disability insurance (excluding social security)	5,441	5,504	5,580	5,481	5,567
Federal employee retirement and disability:					
Civilian retirement and disability programs:					
Existing law	22,069	23,293	24,949	26,684	28,509
Proposed legislation			—741	—1,413	—2,002
Military retirement: ¹					
Existing law	16,471	15,809	18,291	19,439	20,636
Proposed legislation		51	—491	—713	—761
Federal employees workers' compensation (FECA):					
Existing law	219	207	255	254	289
Proposed legislation			—22	—47	—48
Federal employees life insurance fund	—704	—719	—724	—765	—806
Subtotal, Federal employee retirement and disability	38,054	38,641	41,518	43,440	45,816
Unemployment compensation:					
Existing law	18,421	16,780	16,297	16,600	16,751
Proposed legislation			—3	3	10
Subtotal, Unemployment compensation	18,421	16,780	16,294	16,603	16,761

NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
Housing assistance:					
Subsidized housing:					
Existing law	8,774	9,722	10,539	10,988	11,505
Proposed legislation		-455	-1,446	-1,667	-1,822
Public housing operating subsidies	1,135	1,255	1,126	1,004	1,003
Low-rent public housing loans:					
On-budget under current law	1,111	1,509 ¹	1,988	1,485	418
Proposed legislation		-350	-25	50	354
Off-budget under current law [#]	112	-32	-35	-37	-39
Other housing assistance	138	118	155	136	116
Subtotal, Housing assistance	11,270	25,355	12,304	11,960	11,536
Food and nutrition assistance:					
Food stamps and aid to Puerto Rico:					
Existing law	12,375	12,599	12,698	13,158	13,691
Proposed legislation			-14	-41	-64
Child nutrition and other programs:					
Existing law	5,679	6,066	6,238	6,645	7,062
Proposed legislation			-654	-912	-1,013
Subtotal, Food and nutrition assistance	18,055	18,664	18,268	18,850	19,676
Other income security:					
Supplemental security income	8,498	9,511	9,890	10,279	11,542
AFDC and child support enforcement:					
Existing law	8,855	8,970	9,007	9,471	9,690
Proposed legislation			-180	-159	-151
Earned income tax credit	1,193	1,054	1,255	1,175	1,112
Refugee assistance	602	450	362	326	317
Low income home energy assistance:					
Existing law	2,026	2,100	2,100	2,188	2,276
Financing from petroleum overcharges (proposed)			-809	-857	-905
Other	254	212	181	166	167
Subtotal, Other income security	21,427	22,296	21,806	22,589	24,047
Total, outlays	112,668	127,240	115,769	118,923	123,403

¹ Includes the adjustment to show military retired pay for 1984 on a basis comparable to 1985 and subsequent years. See the discussion in Part 6.

[#] Proposed to be included on-budget.

Pension Benefit Guaranty Corporation (PBGC).—This Government corporation was established in 1974 to insure pension benefits promised workers by their private employers. When a defined benefit pension plan is terminated by a sponsoring employer, the Corporation pays the monthly pensions required by the particular plan, up to a maximum set by law. The Corporation may also lend insolvent multi-employer plans the amounts needed to prevent termination, consequently forestalling Government responsibility to pay benefits if the plan is terminated. PBGC revenues include premiums charged to all employers with defined benefit plans, earnings on investments, and collections from sponsors of terminated plans. Because liabilities assumed under terminated plans exceed income from all sources, the Corporation has a growing

deficit under current law that is expected to reach \$853 million by the end of 1986. The budget reflects the administration's request that the Congress approve an increase in the single-employer premium to a level sufficient to cover projected claims, and amortize the current deficit over a reasonable period of time. The administration also supports legislation to revise the insurance program for single-employer plans in order to close loopholes in the Employee Retirement Income Security Act of 1974 that allow unwarranted assignment to the Corporation of liabilities for unfunded benefits.

Federal employee retirement and disability.—There are a number of employee retirement and disability programs in the legislative, judicial, and executive branches of the Federal Government. The largest program is civil service retirement and disability. Payments to retired military personnel are also included here.

Civilian retirement and disability programs.—The civil service retirement and disability system is the largest retirement program provided for the Federal Government's 2.7 million employees. Under existing law, in 1985 an estimated 2.0 million retirees and survivors will receive payments totaling an estimated \$23 billion in outlays. Benefits are paid to former employees who meet eligibility requirements based on age and length of service, and to their survivors. Currently, full retirement benefits can begin at age 55 for employees with 30 years of service. Benefit levels are based on the employee's three highest salary years and are indexed to the Consumer Price Index (CPI). Current workers and their employing agencies each contribute 7% of wages toward retirement costs. The remainder—about 60% of total costs—is paid by taxpayers through annual payments to the civil service retirement fund.

The civil service retirement system has historically been separate from the social security system. However, employees hired after December 31, 1983, and senior policy officials are temporarily covered under a combination of civil service retirement and social security. In deciding to extend social security coverage to Federal employees, Congress intended that a new Federal retirement system supplementing social security would be in place by January 1986. In order to meet this goal, the administration plans to submit legislation for a new system containing a defined contribution plan and costing—including the employer share of the social security tax—approximately 20% of payroll on an actuarial normal cost basis.

The administration's priority continues to be to reform the high costs and generous benefits of the current civil service retirement system. The two aspects of the current system that diverge most

from private sector practice are retirement with full benefits at age 55, and full indexation of retirement benefits to the CPI. Therefore, the administration proposes to:

- *Reduce the annuities of employees retiring early.*—The retirement age for full benefits would be raised to 65. Employees could still retire at 55 with 30 years of service, but the benefits would be reduced by 5% for each year under 65 at the time of retirement, such that the same lifetime benefit is paid regardless of the age at which it begins. Employees who are already 55 would not be affected, and the proposal would be phased in over 10 years to avoid unduly upsetting the plans of employees who are already near 55.
- *Limit cost-of-living adjustments (COLAs).*—Three proposals would change the way civil service annuities are adjusted to reflect changes in the cost of living. The scheduled January 1986 COLA would be eliminated. COLAs would resume in January 1987, but the civil service retirement COLA would be limited to the lower of the increase in general schedule pay or the CPI. Furthermore, civil service retirement COLAs would be limited to 55% of the revised COLA on the amount by which annuities exceed \$10,000 in 1987. The \$10,000 level would be adjusted by the COLA in future years.

In addition, the administration will propose the following reforms:

- change the base on which benefits are computed from the highest 3 years to the highest 5 years of an employee's pay; employees not eligible for retirement or within 3 years of retirement eligibility would not be affected;
- phase out retirement credit for unused sick leave;
- conform civil service survivor, adult student, and minimum benefits to those provided by social security;
- require the Postal Service and the District of Columbia to phase in the paying of the full cost of employee pensions less the employee's contributions; and
- discontinue retirement, life, and health insurance coverage for employees first hired by the District of Columbia after September 30, 1985.

In 1986, the package of civil service retirement reforms is estimated to increase receipts by \$269 million and reduce outlays by \$731 million. Changes to other civilian retirement and disability programs are estimated to reduce outlays by \$10 million in 1986.

Military retirement.—Benefits are also paid to former military personnel and their survivors. It is estimated that there will be 1.5 million military retirees and survivors in 1986 receiving a total of \$18.3 billion in outlays under current law. Normal retirement eligi-

bility is attained at 20 years of service. The initial benefit is 2.5% of final basic pay per year of service. For personnel entering after September 1980, the average of the member's highest 3 years of basic pay will be used, as specified by current law, instead of final basic pay. Benefits are indexed to the CPI. Consistent with legislation for civil service retirement, the scheduled January 1986 COLA for military retirement would be eliminated. Military personnel also make contributions to and are eligible for social security.

Federal employees workers' compensation.—The Department of Labor provides tax-free cash and medical benefits to Federal employees or their survivors for job-related injuries, illnesses, or deaths. About 46,000 workers with long-term disabilities, or their survivors, will receive monthly payments in 1985. As a result of increased efforts to return recipients to work and to remove from the rolls those no longer eligible, the estimated recipient levels for 1986 are unchanged from 1985. The administration proposes to freeze the COLA for this program that otherwise would occur in 1986.

Federal employees life insurance fund.—The outlays of this fund are payments to survivors of Federal employees and former employees. Premium payments to this fund are projected to exceed outlays by \$724 million in 1986.

Unemployment compensation.—About 97% of wage and salaried employment in the United States is covered by unemployment compensation programs, which pay benefits to individuals who are temporarily out of work and are searching for jobs. Based on the economic assumptions described in Part 3, an estimated average of 2.4 million workers per week will receive unemployment benefits during 1985 and 2.3 million workers in 1986. Outlays are estimated to decrease from \$16.8 billion in 1985 to \$16.3 billion in 1986 because of the decline in the projected average unemployment rate from 7.0% in fiscal year 1985 to 6.9% in 1986.

Regular benefits, usually paid for up to 26 weeks, are financed by a State tax on employers, and vary according to benefit levels set by each State. State and Federal administrative costs are financed by a Federal tax on employers. Legislation is being developed with the States and will be proposed to reduce the Federal tax and have the States finance their own administrative costs starting in 1988. Extended unemployment benefits, which increase by 50% the number of weeks an unemployed worker can receive unemployment compensation, are payable in States with high rates of unemployment among covered individuals, as defined by statute. The total number of weeks of regular and extended benefits may not

exceed 39. Extended benefits are financed in equal portion by State and Federal taxes on employers.

Benefits paid to former Federal civilian and military employees are financed by the Federal agency that employed them. Additional benefits are available to certain workers in specific circumstances, such as former Conrail employees. Likewise, special trade adjustment assistance benefits are available through September 30, 1985, for workers deemed unemployed because of increased imports.

In 1985 the Department of Labor, working with the State employment security agencies, is implementing a quality control program. The quality control system will uniformly measure the accuracy of unemployment insurance payments in a systematic and representative sample of individual claims. It will identify eligibility and benefit errors and determine their causes. Using information from the system, State administrators will be able to identify sources of payment inaccuracies and allocate resources to correct them.

Without legislative action, the railroad sickness and unemployment insurance fund will be unable to pay full benefits on a timely basis during 1986. The budget proposes to ensure comprehensive, uninterrupted unemployment insurance coverage for rail workers by extending Federal-State unemployment insurance coverage to railroad employment beginning with a transitional program. Under this proposal, all rail workers becoming unemployed after September 30, 1985 would be eligible for the generally higher maximum weekly benefits available under the Federal-State program. Railroads would reimburse States for the costs of benefits paid during the transition, allowing States time to gain experience with railroad employment before regular State unemployment insurance contributions from the railroads begin. This proposal would ensure full repayment of the rail sickness and unemployment fund's debts to the rail pension fund.

Housing assistance.—The Federal Government provides housing subsidies for low-income families and individuals through several programs administered by the Department of Housing and Urban Development (HUD) and the Department of Agriculture (USDA). Eligibility for assistance is limited to households with annual incomes below 80% of median income in each community. In subsidized rental programs, tenants are required to contribute 30% of their income toward their housing costs. At the end of 1984, 5.8 million households received housing assistance. As a result of 1985 and prior funding and completion of units already under construction, this number will grow to 6.2 million by the end of 1986—4.2

CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Low rent public housing:					
New obligations	1,413	14,303	1,822	1,395	634
Change in outstandings	1,013	-1,216			
Outstandings	1,216				
Low rent public housing (loans made by FFB): ¹					
Change in outstandings	112	-32	-35	-37	-39
Outstandings	2,178	2,146	2,112	2,075	2,035
Other income security:					
New obligations	2	3	2	1	3
Change in outstandings	-2	-1	-2	-4	-1
Outstandings	21	20	18	15	14
Total, direct loans:					
New obligations	1,414	14,306	1,824	1,396	637
Change in outstandings	-1,123	-1,249	-36	-41	-40
Outstandings	3,416	2,166	2,130	2,089	2,049
Guaranteed loans:					
Low rent public housing:					
New commitments	13,723				
Change in outstandings	51	-13,311	-325	-350	-375
Outstandings	19,985	6,673	6,348	5,998	5,623
Total credit budget (new obligations and new commitments)	15,137	14,306	1,824	1,396	637

¹ These are commitments made by the agency to guarantee loans that the FFB will disburse. In effect, they are commitments for FFB direct loans, and are counted as such in the budget and the credit budget. Policy responsibility for these loans rests with the guaranteeing agency. The totals for low rent public housing loans made by the FFB in this table are not identical to the entries in the addendum to the budget authority and outlays table for off-budget Federal entities due to timing differences between budget authority and new obligations.

million in HUD-assisted units and 2.0 million in USDA-assisted units—an increase of over 2.4 million units since 1980.

The budget proposes a 2-year moratorium on funding for additional HUD subsidized housing units. Therefore, no budget authority for new units is proposed in 1986 for these programs. Due to normal turnover in program beneficiaries, however, nearly 1 million families are estimated to begin receiving assistance during the moratorium period.

In addition, the budget proposes to terminate the separate USDA Farmers Home Administration (FmHA) housing assistance programs. This includes the FmHA credit activities supporting home-ownership and rental housing construction described in the commerce and housing credit function. Consequently, no budget authority is requested for these programs except for small amounts to fund expiring rental housing assistance contracts and to repair single-family housing units occupied by low-income FmHA borrowers. At the end of the 2-year moratorium period, HUD will expand its role in nonmetropolitan areas and assume full responsibility for

providing housing assistance in both rural and urban areas. The allocation of the 100,000 new assisted units would be split evenly between metropolitan and nonmetropolitan areas, thereby approximating the urban-rural distribution in the total HUD- and FmHA-assisted units between 1980 and 1984. This change would consolidate housing assistance into one Federal agency, HUD.

Of HUD's privately-owned assisted units, 1.8 million are administered under the section 8 program. Its subsidies are either earmarked for specific units, or are "portable" and hence can be used for any private units that satisfy housing quality standards and rent at or below a specified level.

The new construction or substantial rehabilitation subsidies of section 8 are earmarked for specific units. Commitments made for these programs will result in \$95 billion in Federal outlays over the life of the subsidy contracts. Supplementing the required tenant rent contributions, these subsidies help defray operating and capital costs of the housing projects. In 1983, Congress repealed authority to make new section 8 commitments except for units designed to serve the elderly. At the end of 1984, 700,000 families benefited from this program.

The section 8 existing program currently provides "portable" subsidies for 770,000 families in standard quality units that rent at or below specified levels. In 1983, the administration created the housing voucher program. Like the section 8 existing program, the voucher is "portable" and makes up the difference between a specified private market rent level and the required tenant rent contribution. Unlike the section 8 existing program, tenants retain the savings if they select units that rent below the payments standards, giving them a powerful incentive to shop for high-quality but low-cost units.

Publicly-owned rental housing is provided by Public and Indian Housing Authorities (PHAs and IHAs). The Federal Government uses an operating-cost formula to provide operating subsidies to PHAs and IHAs to supplement the required tenant rent contributions. The budget includes \$1.0 billion in budget authority for operating subsidies for over 1.3 million public and Indian housing units. This request reflects a 1-year freeze in personnel and related expenses, but allows for inflation adjustments for utilities and other nonpersonnel expenses that are generally beyond the PHAs' and IHAs' ability to control. In addition, the budget projects savings of \$35 million from making units ineligible for subsidies if they are vacant for extended periods due to uninhabitability or insufficient demand for those units.

The Federal Government is also obligated to amortize the costs incurred by PHAs and IHAs to build or acquire housing units and their subsequent modernization. Since the changes in the tax law

in 1984, questions have been raised about the tax status of PHA and IHA obligations financing these projects. Consequently, tax-exempt financing has been suspended and replaced by direct Federal loans. Estimated outlays of \$14.3 billion in direct loans will be necessary in 1985 and \$1.8 billion in 1986 to meet ongoing construction needs and to repay maturing PHA and IHA short-term tax-exempt obligations. Since direct loans are being provided, no new loan guarantee commitments will be needed.

In response to this situation, the budget proposes to reform public and Indian housing capital financing. The proposal would not affect program levels, but would eliminate an unnecessarily complex financing procedure. For obligations incurred in 1985 and prior years, legislation will be proposed to forgive both the direct loans extended by HUD to the PHAs and IHAs and the Treasury borrowings used by HUD to extend those loans and to relieve the Federal Government of its obligations to provide debt service. By 1988, Federal outlays for these capital investment programs would be less than if the financing reform proposal is not adopted. This reform would move the repayment of \$20 billion of principal up to the next few years, producing a savings of over \$15 billion in debt service outlays over the next 30 years. In addition, this change would substantially reduce the administrative burden of PHAs, IHAs, and HUD by eliminating a cumbersome method of financing capital construction obligations that ultimately have been incurred by the Federal Government. That method is inefficient because the revenue losses are greater than the interest savings from the use of long-term tax-exempt financing.

In 1986, as part of the moratorium on new commitments, the budget proposes to limit modernization funding to \$175 million for emergency capital needs, a \$586 million reduction from previous levels. Instead of requesting budget authority to amortize this capital expenditure over 20 years, the budget requests funds for 1 year. As with the financing reform discussed above, this would result in future outlays savings.

Food and nutrition assistance.—Low- and middle-income families and individuals receive food and nutrition assistance through a number of Federal programs.

Food stamps and aid to Puerto Rico.—Food stamps help lower income Americans maintain a nutritious diet. Eligible households receive monthly allotments of stamps based on income and household size to finance food purchases. These benefits are entirely federally funded; administrative costs are shared by the States and the Federal Government. Beneficiaries receive a COLA each year,

with the next adjustment being made in October 1985. Monthly food stamp participation is estimated at 20 million individuals in 1986, with associated Federal outlays of \$11.9 billion under current law. Outlays for the nutrition assistance block grant for Puerto Rico are estimated to be \$825 million in 1986.

The administration proposes to reform Federal funding for State and local administrative costs. The current open-ended entitlement for these costs would be replaced with a new Federal grant. Consistent with the spending freeze plan, the total 1986 administrative grant would equal the 1985 level of spending—\$840 million. In 1987 and future years, increases in payments to States would be set at the rate of growth in the implicit price deflator for the gross national product. Complicated and burdensome Federal-State matching requirements, detailed cost allocation plans, and Federal expenditure reviews would be eliminated. In addition, States would have increased flexibility to allocate the grant in the most efficient manner possible, including transferring up to 10% of these funds to other State-administered public assistance programs. Similar changes are proposed for aid to families with dependent children (AFDC) and medicaid.

As in the case of AFDC, the administration is proposing that all States adopt a community work experience program, which would encourage recipients to work in the private sector or perform useful public services. The net savings in 1986 are estimated to be \$14 million, but the number of recipients would not be significantly affected.

Child nutrition and other programs.—The child nutrition programs subsidize meals for children in schools, child care facilities, and other institutional settings. Approximately 14.1 million young Americans will receive federally subsidized meals in 1986. Subsidies include both cash payments and commodities. Federal outlays in 1986 are estimated to be \$5.6 billion for all programs in this category.

Legislation is proposed to better target Federal nutrition benefits to children from lower income families. For students from non-needy families, meal subsidies would be discontinued in school lunch and breakfast programs and child care facilities. This proposal would save an estimated \$613 million in 1986 outlays. Another legislative proposal would eliminate the 1986 cost-of-living adjustment to child nutrition meal reimbursement rates, consistent with the 1-year freeze policy. This measure would reduce 1986 outlays by an estimated \$35 million.

The special supplemental food program for women, infants, and children (WIC) will provide nutritious food supplements every

month to an estimated 3 million low-income women and their young children in 1986. It is designed to lessen health problems associated with inadequate diets during critical stages of child development. The administration is requesting \$1,480 million in budget authority in 1986, which is \$56 million above the 1985 level.

Related food assistance programs in other functions.—The Commodity Credit Corporation (CCC) donates surplus food, such as cheese, butter, and nonfat dry milk, for distribution to food banks, charitable institutions, and schools. CCC commodities valued at \$1.3 billion are expected to be donated in 1986. In addition, the Department of Health and Human Services administers a nutrition program for the elderly with estimated 1986 outlays of approximately \$500 million.

Other income security.—A number of other income security programs assist the poor. Estimated outlays for these programs are \$21.8 billion in 1986.

Supplemental security income.—The Federal supplemental security income program will make cash payments to about 4 million needy aged, blind, or disabled persons in 1986. Benefits will automatically increase in January 1986 by the same percentage as social security benefits. Federal outlays in 1986 are estimated at \$9.9 billion. Some States also finance supplements to the basic Federal grant, which may be administered by the Federal Government at no charge to the States.

AFDC and child support enforcement.—Aid to families with dependent children (AFDC) helps State and local governments finance cash assistance to needy families. States administer the AFDC program, determining guidelines for eligibility and the level of benefits within broad Federal rules. The Federal Government reimburses States, on average, for slightly more than half of the benefit costs. Child support enforcement (CSE) finances most State and local administrative expenses for establishing paternity and collecting support from legally liable absent parents. These collections offset State and Federal AFDC costs. Federal outlays for AFDC and CSE are estimated to be \$8.8 billion in 1986, compared to \$9.0 billion in 1985. About 3.7 million families are expected to receive AFDC benefits in 1986 under current law. Child support collections on behalf of about 1.5 million of these families are also anticipated.

Reforms enacted during the past 4 years have helped refocus AFDC on its original goal: to serve as temporary aid where the resources for complete self-support do not exist. These reforms

created new opportunities for work, corrected inequities that provided higher benefits from receiving Federal and State assistance than from working, and retargeted assistance to the needy by taking into account resources and income sources that were previously not counted. The Child Support Enforcement Amendments of 1984 reformed Federal financing rules to reward and encourage increased CSE collections, improve cost effectiveness, and expand services for nonwelfare families. These CSE reforms also strengthen family responsibility and improve the financial situation of women.

The budget continues to propose selected reforms of AFDC. Legislation is proposed to require that employable AFDC applicants and recipients engage in job search and work activities as a condition of AFDC eligibility. The unsuccessful work incentive (WIN) program—classified in the education, training, employment, and social services function—would be replaced by this reform. Other legislative proposals would correct undesirable incentives by prohibiting unmarried minor mothers from leaving their parents' home to qualify for AFDC, and by eliminating payments to employable AFDC parents whose youngest child is age 16 or older.

In addition, the administration proposes to reform Federal funding for State and local AFDC administrative and training costs. The current open-ended entitlement for these costs would be replaced with a new Federal grant. As part of the administration's spending freeze plan, the total 1986 grant level would equal the 1985 spending level—\$928 million. In 1987 and future years, increases in payments to States would be set at the rate of growth in the GNP deflator. Complicated and burdensome Federal-State matching requirements, detailed cost allocation plans, and Federal expenditure reviews would be eliminated. In addition, States would have increased flexibility to allocate the grants in the most efficient manner possible, including transferring up to 10% of these funds to other State-administered public assistance programs. Similar changes are proposed for medicaid and food stamps.

These AFDC reforms would save an estimated \$180 million in Federal outlays in 1986 and a comparable amount in State and local costs.

Earned income tax credit (EITC).—Wage earners with children are eligible for tax credits if they earn less than \$11,000. When the credit exceeds a wage earner's income tax liability, the Treasury Department makes a cash payment. Credits can be received as additions to paychecks or as a lump sum at the end of the year. Total 1986 outlays for these payments are estimated to be \$1,255 million. When the credit does not exceed the wage earner's tax

liability such that no direct Treasury payment is made, the credit is considered a tax expenditure rather than an outlay. In 1986, EITC tax expenditures are estimated to be \$395 million.

Refugee assistance.—The Federal Government fully reimburses States for initial costs associated with refugee and entrant resettlement, including preventive health activities, cash and medical assistance, employment, and English language training. Estimated 1986 outlays are \$362 million. Assistance is designed to help refugees become self-sufficient as soon as possible after they arrive in the United States. Aid to refugees while they are overseas is discussed in the international affairs function.

Beginning in 1986, resettlement organizations would provide basic needs for refugees for the first 90 days after their arrival in the United States. This policy would encourage resettlement organizations to help refugees find employment before they become dependent on Federal and State aid and would focus voluntary sector efforts on resettlement by shifting resources from such aid to resettlement organizations.

Low-income home energy assistance.—The Department of Health and Human Services gives States block grants to help pay the fuel bills of low-income families. States can make direct cash payments to eligible families, payments to fuel vendors, or payments to public housing building operators. The States may also finance weatherization of homes for some low-income families. For 1986, the administration proposes to continue the current \$2.1 billion budget authority level. Legislation will be proposed to use recoveries from petroleum price overcharges to partially finance the block grant. The oil overcharge monies appear in the tables as offsetting receipts. Department of Energy programs, classified in the energy function, for low-income home weatherization and energy conservation for schools and hospitals would also be funded through these recoveries.

Tax expenditures.—The largest tax expenditure item in this function is the net exclusion of pension contributions and earnings, including contributions to individual retirement accounts (IRAs) and similar pension plans. The maximum IRA contribution is generally limited to \$2,000 annually. However, married taxpayers whose spouses have no earnings may invest up to \$2,250 in a spousal IRA.

Many tax expenditures related to income security programs result from Government benefits not being included in the taxable income of recipients. For example, workers' compensation benefits, unemployment compensation received by lower income taxpayers,

and other income security assistance for the needy are excluded from taxable income. In contrast, Federal employee retirement benefits are subject to tax. Therefore, the receipt of such benefits does not result in a tax expenditure.

TAX EXPENDITURES FOR INCOME SECURITY

(Outlay equivalents; in millions of dollars)

Description	Estimates		
	1984	1985	1986
Net exclusion of pension contributions and earnings:			
Employer plans	64,655	72,010	80,655
Individual Retirement Accounts (IRAs)	15,920	17,620	19,570
Keogh plans	2,525	2,710	2,925
Exclusion of other employee benefits:			
Premiums on group term life insurance	2,575	2,770	2,900
Premiums on accident and disability insurance	175	170	175
Income of trust to finance supplementary unemployment benefits	20	20	20
Additional exemption for elderly	2,530	2,685	2,955
Additional exemption for the blind	40	45	50
Tax credit for the elderly and disabled	195	225	225
Exclusion of disability pay	35		
Exclusion of military disability pensions	120	120	125
Exclusion of railroad retirement system benefits	525	450	455
Exclusion of special benefits for disabled coal miners	155	150	150
Exclusion of workmen's compensation benefits	2,270	2,435	2,615
Exclusion of untaxed unemployment insurance benefits	1,845	1,405	1,205
Deductibility of casualty losses	530	615	700
Exclusion of public assistance benefits	515	520	530
Earned income credit ¹	370	355	395
Total (after interactions) income security ²	91,925	103,045	114,345

¹ The figures in the table indicate the tax subsidies provided by the earned income tax credit. The effect on outlays is: 1984 \$1,193 million, 1985 \$1,054 million, 1986 \$1,255 million.

² The estimate of total tax expenditures for this function reflects interactive effects among the individual items. Therefore the estimates cannot simply be added.

GENERAL PURPOSE FISCAL ASSISTANCE

General purpose fiscal assistance provides financial aid to State and local governments without major restrictions or matching requirements. This assistance can generally be used for State or local services, construction, debt retirement, and other purposes of general government. Programs in this category include general revenue sharing, payments to the District of Columbia, Forest Service receipts paid to the States, payments in lieu of taxes, and payments to territories and Puerto Rico. Outlays for this function are estimated to decline from \$6.6 billion in 1985 to \$2.8 billion in 1986.

General revenue sharing.—The general revenue sharing program was first enacted in 1972 to bring the resources raised by the highly responsive Federal tax structure to bear on the needs of State and local governments, that had less flexible tax systems. The program was also intended to make State and local officials more responsive to local needs by giving them almost complete discretion in determining how the aid would be used.

In 1981, States were eliminated from the program as their capacity to raise revenue improved. Local governments utilized revenue sharing funds for basic services and they set a good example of government efficiency, using less than 1% for administration. However, in recent years, local governments have become less dependent on general revenue sharing due in part to improvements in the revenue-generating ability of local tax systems. While a few localities continue to rely heavily on general revenue sharing, the program accounted for less than 2.5% of total local government spending in 1983.

The Federal Government can no longer afford general revenue sharing. The administration finds it necessary to propose legislation to end the program in 1986, one year before the end of the current authorization. This termination is essential in order to achieve the President's goal of reducing the Federal deficit and it is consistent with other large reductions that are now needed to meet this national problem. In an austere Federal budget, national priorities must be met first. These national priority needs can best be achieved through block grants and other broad based support that provide flexible Federal funding in areas such as health, community development, and job training.

Outlays for the general revenue sharing program are estimated to be \$1.2 billion in 1986, reflecting the final quarterly payment from the 1985 program.

Other general purpose fiscal assistance.—Several other programs provide funds with minimal restrictions to States and localities. Outlays for these programs are estimated to be \$1.9 billion in 1985 and \$1.6 billion in 1986.

NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

(Functional code 850; in millions of dollars)

Major missions and programs	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
BUDGET AUTHORITY					
General revenue sharing:					
General revenue sharing payments:					
Existing law	4,567	4,567	4,567		
Proposed legislation			-4,567		
Administration:					
Existing law	7	8	8		
Proposed legislation			-2		
Subtotal, General revenue sharing	4,574	4,575	6		
Other general purpose fiscal assistance:					
Payments and loans to the District of Columbia	570	499	498	507	506
Payments to States and counties from Forest Service receipts:					
Existing law	203	239	423	391	419
Proposed legislation			-356	-340	-348
Payments to States from receipts under the Mineral Leasing Act	736	511	479	522	566
Payments to States and counties from Federal land management activities	74	95	57	46	59
Payments in lieu of taxes	105	103	105	105	105
Payments to territories and Puerto Rico	528	480	416	422	433
Other	7	6	6	7	7
Subtotal, Other general purpose fiscal assistance	2,223	1,933	1,628	1,659	1,747
Total, budget authority	6,797	6,508	1,634	1,659	1,747
OUTLAYS					
General revenue sharing:					
General revenue sharing payments:					
Existing law	4,567	4,610	4,576		
Proposed legislation			-3,414		
Administration:					
Existing law	7	7	7	1	
Proposed legislation			-2	*	
Subtotal, General revenue sharing	4,573	4,617	1,168	1	
Other general purpose fiscal assistance:					
Payments and loans to the District of Columbia	570	499	498	507	506
Payments to States and counties from Forest Service receipts:					
Existing law	203	239	423	391	419
Proposed legislation			-356	-340	-348
Payments to States from receipts under the Mineral Leasing Act	736	511	479	522	566
Payments to States and counties from Federal land management activities	70	95	58	46	59
Payments in lieu of taxes	104	103	105	105	105
Payments to territories and Puerto Rico	507	480	416	422	433
Other	6	7	6	7	7
Subtotal, Other general purpose fiscal assistance	2,197	1,934	1,629	1,659	1,747
Total, outlays	6,770	6,552	2,797	1,661	1,747

*\$500 thousand or less.

Payments and loans to the District of Columbia.—The District of Columbia's operating budget is financed in part by annual payments from the Federal Government in recognition of the costs to the local government of the Federal presence. The administration requests \$498 million in budget authority for the District of Columbia in 1986, net of loan repayments from the District. An estimated \$425 million is for the Federal payment and \$52 million is for the annual Federal contribution to the retirement funds for the District's police officers, firefighters, teachers, and judges, as required under pension reform legislation enacted in 1979. The remaining funds are requested for St. Elizabeths Hospital and for Federal water and sewer payments.

Since 1983, the District of Columbia has successfully met its short-term cash management needs through the private market. In December 1984, the District sold \$80 million in general obligation bonds, which was its first long term bond issue that was not backed by the Treasury. In anticipation of the District's continued success in the bond market, no loan authority has been requested for 1986.

The administration will propose legislation to increase the District's contribution for civil service retirement beginning in 1986. The contribution will increase by an additional two percent of payroll each year until the District assumes the full cost of the retirement benefits. This change will eliminate the Federal subsidy currently provided to the District Government.

Other payments.—Some jurisdictions receive payments from the Federal Government based on a percentage of Federal receipts generated from the sale of timber, mineral leases, grazing permits, and other activities on Federal property.

Payments to States and counties from Forest Service receipts will return an estimated \$239 million in 1985, and \$67 million in 1986, to States for the benefit of counties in which National forests are located. These funds are to be used for schools and roads. The administration is proposing legislation that will allow the Federal Government to deduct the costs of managing the lands that generate these receipts before calculating the States' and counties' shares. Upon enactment, the States and counties will receive the same percentage of net receipts that they now receive of gross receipts. Pursuant to the proposed realignment between the Bureau of Land Management and the Forest Service, the payments will include amounts distributed to counties from Oregon and California land grant receipts beginning in 1986.

Payments to States from receipts under the Mineral Leasing Act are estimated at \$511 million in 1985 and at \$479 million in 1986. The administration is also proposing to deduct the Federal costs of obtaining Mineral Leasing Act receipts before calculating the States' shares.

CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

(In millions of dollars)

	Actual 1984	Estimate			
		1985	1986	1987	1988
Direct loans:					
Loans to the District of Columbia:					
New obligations	115				
Change in outstandings	84	-107	-36	-39	-42
Outstandings	1,883	1,776	1,740	1,700	1,658
Guaranteed loans:					
Guarantees of New York City loans:					
Change in outstandings	-373	-390	-233	-205	
Outstandings	828	438	205		
Total credit budget (new obligations and new commitments)	115				

Payments to States and counties from Federal land management activities are estimated to be \$95 million in 1985 and \$58 million in 1986 for shared revenues from oil and gas, coal, timber, and grazing activities on Federal lands. Beginning in 1986, the Forest Service will make payments to counties from Oregon and California land grant receipts.

Payments in lieu of taxes provide fees to local governments for some Federal lands located within their jurisdictions. The administration proposes to continue this program unchanged, estimating outlays of \$105 million for 1986.

Payments to territories and Puerto Rico are made because the Federal Government returns certain taxes to the territories and Puerto Rico. These payments comprise annual advance payments of certain income tax withholding and excise tax collections involving Guam and the Virgin Islands, and excise tax withholding for Puerto Rico. Outlays are estimated to be \$480 million in 1985 and \$416 million in 1986.

Tax expenditures.—The Federal Government provides general purpose fiscal assistance through several tax provisions. Interest on State and local government debt is excluded from the taxable income of both businesses, mainly commercial banks and casualty insurance companies, and individuals. As a result, State and local governments can borrow at lower interest rates than would be possible if such interest were taxable. In effect, the Federal Government subsidizes States and localities by paying part of their interest costs. Only the effect of excluding interest on general purpose obligations and revenue bonds for public purposes such as schools, sewers, and roads is included in this function. The exclusion of interest on tax-exempt bonds issued for private or quasi-public activities is covered in applicable budget functions, such as

commerce and housing credit. The tax expenditure estimate for the exclusion of interest on general purpose State and local debt is \$8.7 billion in 1986.

The Federal Government also provides indirect assistance to States and localities by allowing individuals to deduct nonbusiness State and local taxes, primarily income and sales taxes, from income in calculating their Federal tax liability. The value of this assistance is estimated at \$24.7 billion in 1986; the deductibility of taxes on owner-occupied homes is accounted for in the commerce and housing credit function.

As a means of providing assistance to U.S. possessions, primarily Puerto Rico, the Federal Government permits a special tax credit for qualifying U.S. corporations doing business in the possessions. This tax credit, which effectively exempts earnings attributable to the possessions, results in an estimated tax expenditure of \$2.6 billion in 1986. Tax expenditures for general purpose fiscal assistance are an estimated \$36.1 billion in 1986.

Related programs.—In addition to general purpose fiscal assistance, the Federal Government provides States and localities with assistance through a variety of Federal grant-in-aid programs. These programs, which range from relatively narrow categorical programs to broader grant programs, are more restrictive than general purpose fiscal assistance, and are designed to meet other national needs and priorities. Therefore, they are not included as general purpose fiscal assistance, although they provide, when taken together, a large source—21% in 1984—of the financing of total State and local expenditures. Total grant-in-aid outlays to States and localities are estimated to decrease from \$107.0 billion in 1985 to \$100.7 billion in 1986.

Grants are discussed in more detail in Special Analysis H, "Federal Aid to State and Local Governments."

The preceding table summarizes some of the major limits on the availability of funds that affect budget spending. The amounts identified do not include all limitations, especially for credit programs, but they illustrate that there can be significant spending changes without changing budget authority.

FISCAL ACTIVITIES OUTSIDE THE FEDERAL BUDGET

The budget does not include a number of activities of the Federal Government that result in spending similar to budget outlays. These activities, nevertheless, channel economic resources toward particular uses in ways that are analogous to the effects of budget spending.

In previous years the outlays of the off-budget Federal entities were a major exclusion from the budget. This year, however, the Administration proposes to put these entities into the budget, so that they will no longer be exceptions to the principle of a unified budget. Accordingly, the data for the entities that are off-budget under current law have been included in the budget for all years. The reasons for this proposal, and the activities and background of these entities, are discussed in some detail below.

This is followed by a discussion of fiscal activities that are properly outside the scope of the unified budget. The Government-sponsored enterprises are outside the budget because of their private ownership. Loan guarantees allocate economic resources toward particular uses by making credit available to borrowers at more favorable terms than would otherwise be available in the private market. Taxation and tax expenditures, which also have significant allocative effects on the economy, are discussed subsequently.

The regulation of economic activity changes resource allocation in different ways. Some types of regulation have economic effects that in certain respects are similar to budget outlays by requiring the private sector to make expenditures for specified purposes such as safety and pollution control. The effects of this spending are very important, but many of them have not been quantified satisfactorily and therefore cannot be clearly related to the budget.

Outlays of off-budget Federal entities.—The Federal Government has used the unified budget concept as the foundation for its budgetary analysis and presentation since the 1969 budget. Starting in 1971, however, laws were enacted under which several Federal entities were removed from the budget or created outside of the budget. The off-budget Federal entities are federally owned and controlled, but their transactions were excluded from the budget

totals under these provisions of law. Thus, they have been exceptions to the principle of a unified budget.

In the past few years the trend toward steadily increasing the number of off-budget Federal entities has been changed. Several entities were put on-budget in a series of legislative actions. The executive and the Congress have on several occasions expressed concern about the practice of excluding some Federal outlays from the budget and have taken steps to control off-budget spending. In particular, this Administration has been very concerned about the effects of off-budget direct loans in allocating credit toward specific uses and about the necessity of financing these loans by additional Federal borrowing from the public. Last year the Administration supported the basic intent of the bills before the Congress that would have included the outlays of the Federal Financing Bank in the budget. These outlays comprise most of the spending that is off-budget under current law.

Legislative proposal.—The Administration proposes that all the off-budget Federal entities be placed on-budget, and thus that the principles of the President's Commission on Budget Concepts be adhered to. The Commission, whose recommendations underlie the concept of the unified budget, declared: "Following from the definition of a budget as a basic part of a comprehensive financial plan, the budget should include all programs of the Federal Government and its agencies."⁴ The unified budget concept, therefore, measures the Government's net fiscal transactions with the public.

The Administration believes that the comprehensive coverage of the unified budget concept is needed for the budget of the United States Government. Comprehensive coverage is necessary:

- to inform the public of the full extent of how much the Government is spending both in total and for particular purposes;
- to make rational and informed choices between public and private activities;
- to establish priorities in allocating the Government's resources among alternative programs; and
- to understand and thereby influence the impact of Government spending on the economy.

Therefore, the Administration is proposing legislation to restore the complete coverage of the unified budget by shifting the off-budget entities into the budget. In order to be consistent with this proposal, the present budget volume and the other budget documents treat the entities that are off-budget under current law as though they were on-budget. Thus, in the present budget documents, unlike the ones for previous years, the spending of these

⁴ *Report of the President's Commission on Budget Concepts* (Washington: U.S. Government Printing Office, 1967), p. 7. Also see the further discussion on pp. 24-25.

entities is reflected in both budget outlays and the budget deficit; and the appropriations requests and permanent budget authority for their programs are included in the totals of budget authority for the budget. This treatment extends throughout all schedules and other presentations.^{5 6} The actual budget data for 1984 and all previous years were revised to include the entities that are off-budget under current law, so that the year-to-year comparisons and historical series would be as accurate and consistent as possible.

This change in treatment does not affect Federal borrowing or debt. As shown in the table on page 6-26, the outlays of the off-budget entities have always had to be added to the on-budget deficit to derive the total Government deficit, which, for the most part, must be financed by borrowing from the public. When off-budget outlays are financed by Treasury borrowing, as is usual, the additional debt is subject to the statutory debt limitation; when financed by the entities' own borrowing, it is not. In either case the additional debt is part of the gross Federal debt and adds to the Federal debt held by the public.

The proposed treatment does not change the nature of the transactions recorded in the budget. Most of the outlays of the off-budget Federal entities are incurred in order to carry out direct loan programs. These programs have the same economic, financial, and accounting characteristics as the direct loan programs in the budget under current law, such as those of the foreign military sales credit program and the housing for the elderly or handicapped fund. The outlays of the direct loan programs, whether on-budget or off-budget under current law, are approximately equal to the difference between the new loans disbursed and the repayments of principal. Of the remaining off-budget outlays, some are incurred for the Postal Service, which is a public enterprise fund, analogous in its business-type operations to the Tennessee Valley Authority. Finally, some off-budget outlays are for the strategic petroleum reserve account to buy oil. This purchase is similar in nature to the purchases of goods from the private sector by the Department of Defense, the General Services Administration, and most other Federal agencies. Thus, the outlays that are off-budget under current law, like the outlays that are on-budget, are designed to allocate economic resources toward particular purposes of the Federal Government.

Background and current operations.—The first departure from the unified budget concept occurred in August 1971, when the Export-Import Bank was excluded by statute from the budget. Fur-

⁵ Financial statements for those entities that are off-budget under current law are published in the *Appendix, Budget of the United States Government, Fiscal Year 1986, Part I*.

⁶ The Board of Governors of the Federal Reserve System is a Federal organization. It is excluded from the budget and from this discussion and the legislative proposals. Financial statements are published in the *Appendix, Part V, "Government-Sponsored Enterprises."*

ther departures followed in the next few years under various statutes. The Postal Service fund, the Rural Telephone Bank, the lending transactions that became the Rural Electrification and Telephone revolving fund, and the Housing for the Elderly or Handicapped fund were removed from the budget. The Federal Financing Bank, the U.S. Railway Association, and the Pension Benefit Guaranty Corporation were established off-budget. The Exchange Stabilization Fund had always been outside the unified budget, although it was initially classified as a deposit fund instead of an off-budget Federal entity.

In subsequent years the trend toward steadily increasing the number of off-budget Federal entities was changed. The Export-Import Bank, the Housing for the Elderly or Handicapped fund, and the Pension Benefit Guaranty Corporation were put on-budget by statute in different years. The operations of the Exchange Stabilization Fund were put on-budget in a series of legislative and administrative actions. Most of the transactions of the U.S. Railway Association were brought into the budget by legislation that required its purchases of Conrail securities to be included in the budget. Whenever a former off-budget entity was put on-budget, the budget outlays and deficits of previous years were revised to include the entity to the extent feasible so that the historical series measuring budget transactions would be as accurate and consistent as possible.

Despite these reversals, two new off-budget Federal entities were established to carry out energy programs. The Synthetic Fuels Corporation was created outside of the budget in 1980, although all of its funding is provided in the budget totals of the Treasury Department. The cost of purchasing oil for the strategic petroleum reserve was put off-budget beginning in 1982. The costs of operations, maintenance, construction, and administration, however, remain in the budget.

Notwithstanding the exclusion of the off-budget entities from the budget, some of the outlays related to their operations were nonetheless included in the budget totals. The budget totals included the funding of the Synthetic Fuels Corporation, certain expenses of the strategic petroleum reserve, the Federal payment to the Postal Service fund, the administrative expenses of the U.S. Railway Association, and the administrative expenses and appropriations to reimburse losses of the Rural Electrification Administration lending programs. Moreover, while the budget authority and outlays of off-budget Federal entities were excluded from the budget totals, some of their activities were subject to other methods of Presidential and congressional review. For example, the credit budget, discussed on page 6-20 and in Part 7 of this volume, includes the direct loans and guaranteed loans of off-budget entities as well as on-budget agencies;

and the outstanding debt and annual borrowing of the Postal Service are limited by statute.

Within Congress, the budget resolutions for 1980 recommended that the congressional budget process should accurately relate off-budget activities to the budget. Following this procedural recommendation, the budget resolutions beginning in 1981 have included targets for credit that covered the obligations for new direct loans made by the off-budget Federal entities.

Part 5 of the *Budget*, "Meeting National Needs: the Federal Program by Function," shows the outlays of the off-budget Federal entities by function and discusses some of their more significant activities. As the following table shows, the Federal Financing Bank (FFB) accounts for most of the outlays that are off-budget under current law. The only other off-budget entities with comparatively large outlays are, in some years, the strategic petroleum reserve account and the Postal Service fund. The outlays of the Postal Service fund and the Synthetic Fuels Corporation are calculated net of offsets for the payments that they receive from accounts in the budget. These offsets are estimated to be \$1.4 billion and \$0.3 billion, respectively, in 1986. The payment to the Postal Service fund is lowered in 1986 because of the proposal to abolish the payment for revenue forgone from carrying certain mail at free or reduced rates; this is an estimated \$0.8 billion in 1985. The payment to the Synthetic Fuels Corporation is to fund its entire operations.

OFF-BUDGET OUTLAYS UNDER CURRENT LAW ¹

(In billions of dollars)

Entity	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
Federal Financing Bank	7.3	10.4	0.1	-3.3	-4.1
Rural Electrification and Telephone revolving fund	—*				— .3
Rural Telephone Bank	*	.1	.1	.1	.1
Strategic Petroleum Reserve account	2.3	1.6	.1		
Postal Service fund .....	.4	.3	1.2		
U.S. Railway Association	—*	—*			
Synthetic Fuels Corporation					
Total	10.0	12.5	1.5	-3.2	-4.3

*\$50 million or less.

¹ Proposed to be included on-budget.

The Federal Financing Bank does not operate programs itself. Rather, the FFB finances other programs within the Government by purchasing their debt securities, making direct loans on their behalf, or purchasing their loan assets. FFB obtains the funds for these transactions by borrowing an equal amount from Treasury. The operation of the assisted programs remains with the agencies that FFB finances.

FFB purchases of agency debt securities do not increase FFB outlays. An agency incurs outlays when it spends the proceeds of its borrowing from the FFB, so FFB outlays must exclude this borrowing transaction in order to prevent double counting.

In contrast, FFB outlays are generated by its direct loans and its purchases of loan assets. Both types of transactions are connected with loan guarantees by another agency. FFB makes direct loan disbursements to the public upon the request of an agency, with the repayment of the loan to the FFB being guaranteed by that agency. These direct loans are outlays outside the budget under current law but would be on-budget outlays under proposed legislation.

FFB purchases loan assets from various agencies, also upon agency request. Loan assets are loans that an agency has made to the public and for which repayments are still owed. The agency guarantees the loan assets sold to the FFB, which ensures that the FFB will be paid in the event of default. Loan asset sales are offsets to the outlays of the agency that sells them, regardless of whether they are sold to the FFB or the public. Sales thus reduce the size of an agency's outlays immediately rather than over the normal course of time during which the loans that are sold would be repaid. Therefore, if the selling agency's outlays are included in the budget, the budget outlays caused by its direct loans are offset by the amount of its sales of loan assets. As a result, when the FFB buys loan assets, under current law it effectively converts direct loans that have already been made by another agency into off-budget direct loans of the FFB. Putting the FFB on budget will have the effect that these transactions between two Federal agencies will not reduce the budget totals.

According to law, the category of loan assets also includes certificates of beneficial ownership issued by the Farmers Home Administration and the Rural Electrification and Telephone revolving fund. These certificates are securities backed by loans that the agencies continue to hold and service, and they comprise almost all of the loan assets bought by FFB. The President's Commission on Budget Concepts recommended that the sale of such securities (also known as participation certificates) be treated as borrowing, since as a means of financing outlays there is little difference between an agency selling securities labeled "certificates of beneficial ownership," the same agency selling securities labeled "debt," and the Treasury selling securities labeled "debt."⁷

The remainder of FFB outlays consists of the interest that it pays on its borrowings from Treasury, its administrative expenses, and its payment of surplus income to the general fund, the sum of

⁷ See *Report of the President's Commission on Budget Concepts*, pp. 8, 47-48 and 54-55.

which is offset by the interest that it receives on its holdings of loans and debt. Under current policy, the net interest received (less administrative expenses) is paid in the same year to the general fund. Therefore, this remainder is approximately zero, and FFB outlays approximately equal direct loan disbursements to the public plus purchases of loan assets from other agencies, less repayments.

Since the FFB finances other programs within the Government, rather than operating programs itself, the Administration's proposal for putting the FFB in the budget would charge its outlays to the agencies that use the FFB to finance their programs. This proposal is consistent with the basic intent of several bills that have been introduced in the Congress. This method of putting the FFB in the budget would improve the review and control of Federal outlays by both the Congress and the executive branch. At the same time, the proposed legislation would prevent agencies from avoiding the budgetary control process by financing their programs through fully guaranteed obligations of the type ordinarily financed in the investment securities market. Thus, this change would improve budgetary control while maintaining the principle of efficient debt management that was the purpose for setting up the FFB. For transition purposes only, however, in this budget the outlays of the FFB are charged to the Treasury Department, in which the FFB is organizationally located, rather than the agencies that use the FFB to finance their programs.

Because of this transition treatment, in several places the budget documents attribute the FFB outlays that are made on behalf of an agency to that agency itself. This is done so as to present the effects of the FFB's transactions for different programs. The table on the next page summarizes this attribution, showing the direct loans to the public or purchases of loan assets, less repayments, for selected agencies and programs. The FFB outlays are attributed by function in the tables throughout Part 5 and elsewhere, and a complete attribution by both agency and function is given in Part 8 in the section for the Treasury Department that displays the FFB.

As shown in this table, FFB finances a wide variety of programs. FFB outlays for these programs reached a peak of \$21.0 billion in 1981 but have declined every year since then, falling to \$7.3 billion in 1984. Although FFB outlays are estimated to rise in 1985, they are estimated to fall very sharply in 1986 and to become negative amounts of increasing size in 1987 and subsequent years. This occurs primarily for two reasons: several lending programs financed by FFB are proposed to be terminated, and FFB will continue to receive repayments of principal on loans made in previous years. These effects show up most strongly for the Farmers Home Administration, which has accounted for a little over half of all

ATTRIBUTION OF FEDERAL FINANCING BANK OUTLAYS

(In millions of dollars)

Description	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
Outlays from loans, by agency or program:					
Farmers Home Administration: certificates of beneficial ownership	2,820	4,099	- 904	- 4,248	- 4,141
Rural Electrification and Telephone revolving fund:					
Certificates of beneficial ownership.....	69	447	253	53	.....
Direct loans to public.....	1,648	2,685	2,222	1,700	1,490
Foreign military sales credit	2,818	2,340	282	- 693	- 1,001
Energy	366	353	14	- 1	- 105
Housing and Urban Development:					
Community development grants	31	42	25	23	- 59
Low-rent public housing.....	112	- 32	- 35	- 37	- 39
Transportation: Railroad programs	- 904	- 5	- 9	- 10	- 12
National Aeronautics and Space Administration.....	8	- 67	- 107	- 112	- 98
Small Business Administration.....	254	500	- 1,735	- 10	- 10
Tennessee Valley Authority: Seven States Energy Corporation.....	137	90	87	73	- 40
Other	- 22	- 9	- 16	- 45	- 46
Subtotal, outlays from loans	7,336	10,442	77	- 3,306	- 4,063
Interest, administrative expenses, and payment of surplus income.....	- 60	.....	.....	.....	.....
Total, FFB outlays.....	7,277	10,442	77	- 3,306	- 4,063

FFB outlays since FFB began operation. The Farmers Home Administration direct loan programs are proposed for termination or major reduction in this budget. In addition, FFB outlays for the foreign military sales credit program decline beginning in 1985 because new obligations for direct loans are financed independently from FFB; and outlays for the Small Business Administration are a large negative amount in 1986 because of a proposed transfer of these loans to a separate account in the Treasury Department before being sold to the public. By 1988 the only program with a large amount of new direct loans financed by the FFB is the Rural Electrification and Telephone revolving fund.

Since the Farmers Home Administration is on-budget, FFB's purchase of its certificates of beneficial ownership reduces total on-budget outlays under current law as well as Farmers Home outlays. The total outlays of the Federal Government are not affected, since the decrease in on-budget outlays under current law is exactly offset by the increase in off-budget outlays. Under the legislative proposal to include FFB in the budget, the budget outlays of the Federal Government will also not be affected by the FFB's transactions with the Farmers Home Administration. FFB's purchase of certificates of beneficial ownership from the off-budget Rural Electrification and Telephone revolving fund reduces the outlays of this

**COMPARISON OF TOTAL FEDERAL OUTLAYS WITH CLASSIFICATION UNDER CURRENT LAW AND
WITH GOVERNMENT-SPONSORED ENTERPRISES**

(In billions of dollars)

Fiscal year	Federal Government			Government-sponsored enterprises ^a
	Total budget	Classification under current law		
		On-budget ¹	Off-budget ²	
1970.....	195.7	195.7		9.6
1971.....	210.2	210.2		*
1972.....	230.7	230.7		4.4
1973.....	245.7	245.6	0.1	11.4
1974.....	269.4	267.9	1.4	14.5
1975.....	332.3	324.2	8.1	7.0
1976.....	371.8	364.5	7.3	4.6
TQ.....	96.0	94.2	1.8	2.3
1977.....	490.2	400.5	8.7	9.7
1978.....	458.7	448.4	10.4	24.5
1979.....	503.5	491.0	12.5	25.9
1980.....	590.9	576.7	14.2	25.3
1981.....	678.2	657.2	21.0	33.4
1982.....	745.7	728.4	17.3	42.4
1983.....	808.3	796.0	12.4	34.3
1984.....	851.8	841.8	10.0	44.7
1985 estimate.....	959.1	946.6	12.5	44.3
1986 estimate.....	973.7	972.2	1.5	43.2
1987 estimate.....	1,026.6	1,029.9	— 3.2	(⁴)
1988 estimate.....	1,094.8	1,099.1	— 4.3	(⁴)

*\$50 million or less.

¹ The 1972-80 data have been revised to include the Export-Import Bank, the Housing for the Elderly or Handicapped fund, and the Pension Benefit Guaranty Corporation as on-budget instead of off-budget. The administrative expenses and interest collections of the Exchange Stabilization Fund are included on-budget beginning in 1976, and the actual profits and losses realized from foreign exchange transactions are included beginning in 1979. Earlier data for the ESF are not available on a comparable basis.

² Proposed to be included on-budget.

³ To prevent double counting, outlays of Government-sponsored enterprises exclude loans to other Government-sponsored enterprises and loans to or from all Federal entities.

⁴ Not available.

fund to a very small amount, as shown in the preceding table on the outlays of off-budget entities. The purchase reduces this fund's outlays and augments the outlays of the FFB by an equal amount.

The table above compares total Federal outlays with the outlays that are on-budget and off-budget under current law.⁸ The outlays of the entities that are off-budget under current law were negligible in 1973 but grew rapidly afterwards for several years and reached a peak of \$21.0 billion in 1981. This was 3.1% of total Federal outlays. The loan programs financed by the Federal Financing Bank were the primary reason for this growth. After 1981, however, the off-budget outlays fell sharply, and by 1984 they had approximately halved. They are estimated to decrease sharply

⁸ The historical data for on-budget outlays under current law include Federal entities that are off-budget under current law for any period when they were in the budget, and include the present Government-sponsored enterprises for periods when they had any Government ownership. The outlays of former off-budget entities are included in the on-budget totals for all years to the extent practicable.

again after 1985 and to become sizable negative amounts in 1987 and later years.

Government-sponsored enterprises.—Several Government-sponsored enterprises have been established and chartered by the Federal Government to perform specialized credit functions. The earlier enterprises were all created with partial or full Government ownership and with direct Government control. In time, however, they were converted to private ownership and some new enterprises were created as privately owned institutions.

The rule governing the budget treatment of these enterprises was established in 1967 in accordance with a recommendation by the President's Commission on Budget Concepts. The Commission basically recommended that the budget exclude those Government-sponsored enterprises that are entirely privately owned. However, the Commission recommended that financial statements of their operations be included in the budget documents, because the enterprises carry out federally designed programs and receive benefits from their close association with the Government.^{9 10}

These benefits differ from one enterprise to another and from one type of debt security to another. In most cases, but not all, they include such advantages as the following: their debt securities can be held by federally regulated financial institutions under circumstances where other private securities or State and local securities are not eligible; they are exempt from Federal income taxation; the interest on their debt securities is exempt from State and local income taxation; and the enterprises are perceived by the securities market to have a special relationship with the Federal Government. Because of these benefits, the Government-sponsored enterprises can borrow at interest rates only slightly higher than the interest rates paid by Treasury on Federal debt. Consequently, this budget proposes that fees for this privilege be imposed on new borrowings (including mortgage-backed securities) of the Government-sponsored enterprises.

The Federal Land Banks and Federal Home Loan Banks had both become entirely privately owned a number of years before the unified budget was adopted and therefore have always been excluded from the unified budget. The Federal National Mortgage Association, the Banks for Cooperatives, and the Federal Intermediate Credit Banks became wholly privately owned by repaying their Federal equity capital late in calendar year 1968 and were accordingly removed from the budget for all later periods. The Federal Home Loan Mortgage Corporation and the Student Loan

⁹ *Report of the President's Commission on Budget Concepts*, pp. 29-30.

¹⁰ Financial statements for the Government-sponsored enterprises are published in the *Appendix*, Part V, "Government-Sponsored Enterprises." Their borrowing and lending are discussed in Special Analysis E, "Borrowing and Debt," and Special Analysis F, "Federal Credit Programs."

in the foreign military sales credit program because of delayed military purchases by foreign governments. The second largest estimating adjustment was for farm price supports. Crop production was lower than estimated due to weather conditions, resulting in an outlay decrease of over \$4.0 billion. This was offset in part by increased outlays for subsidizing greater tobacco and dairy production.

COMPARISON OF RELATIVELY UNCONTROLLABLE OUTLAYS AND OF RECEIPTS

The Congressional Budget Act requires that the budget contain two comparisons between the initial budget estimates and the actual amounts for the last completed fiscal year: a comparison of the differences in relatively uncontrollable outlays by major program, and a comparison of the differences in receipts by major source. These comparisons are made in the following two sections for the 1984 budget, which was submitted in January 1983 for the fiscal year ending on September 30, 1984.

Comparison of relatively uncontrollable outlays.—Outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statutes or by contracts or other obligations. Outlays for these programs generally depend on factors that are beyond administrative control under existing law at the start of the fiscal year. For example, the definition of beneficiaries eligible for programs like medicaid and social security is established by law. Prior-year contracts and obligations are also legally binding.

Relatively uncontrollable outlays are grouped into two major categories: open-ended programs and fixed costs, for which outlays are generally mandated by law; and payments from prior-year contracts and obligations, for which outlays are required because of previous action, such as entering into contracts. Budget estimates of relatively uncontrollable outlays do not include the effects of proposed legislation.

A number of factors may cause differences between the amounts estimated in the budget and the actual outlays. For example, legislation may change benefit rates or coverage; the actual number of beneficiaries may differ from the number estimated; and economic conditions (such as interest rates) may differ from what was assumed in making the estimates.

The following table shows the differences between actual outlays for relatively uncontrollable programs in 1984 and the amounts

estimated in the 1984 budget. The list of programs is the same as in Table 18 (Controllability of Budget Outlays) in Part 9. None of the activities that are off-budget under current law and proposed to be on-budget are included in these totals, because the data are not identified by controllability classification. Actual outlays for relatively uncontrollable programs in 1984 were \$624.1 billion, which is \$19.6 billion or 3.0% lower than the estimate based on existing law in January 1983. Outlays for open-ended programs and fixed costs were \$11.3 billion below the initial estimate, while outlays from prior-year contracts and obligations were \$8.4 billion lower.

RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1984

(In billions of dollars)

Relatively uncontrollable under present law	January 1983 estimate (existing law)	Actual	Change
Open-ended programs and fixed costs:			
Payments for individuals: ¹			
Social security and railroad retirement.....	183.3	179.3	-4.0
Federal employees' retirement and insurance.....	50.5	49.0	-1.5
(Military retired pay).....	17.1	16.5	-0.6
(Other).....	33.4	32.6	-0.9
Unemployment compensation.....	26.8	16.9	-9.9
Medical care.....	85.0	79.9	-5.0
Assistance to students.....	3.7	4.8	1.1
Food and nutrition assistance.....	3.3	3.6	0.3
Public assistance and related programs.....	19.5	21.0	1.6
Other.....	2.8	2.9	0.1
Subtotal, payments for individuals.....	374.8	357.4	-17.4
Other open-ended programs and fixed costs:			
Net interest.....	105.8	111.1	5.2
General revenue sharing.....	4.6	4.6	-*
Farm price supports (CCC) ²	9.6	7.3	-2.2
Other.....	-4.8	-1.6	3.1
Subtotal, other open-ended programs and fixed costs.....	115.2	121.3	6.1
Total, open-ended programs and fixed costs.....	490.0	478.7	-11.3
Outlays from prior-year contracts and obligations:			
National defense.....	85.9	79.5	-6.4
Civilian programs.....	67.8	65.8	-2.0
Total, outlays from prior-year contracts and obligations.....	153.7	145.3	-8.4
Total, relatively uncontrollable outlays.....	643.7	624.1	-19.6

* \$50 million or less.

¹ Beginning in the 1985 budget, the administrative costs of relatively uncontrollable payments for individuals, which are controlled through limitations, are classified as relatively controllable. In addition, there were some changes in the treatment of interest payments for interfund borrowing. The January 1983 estimates were adjusted to be consistent with these changes.

² The initial estimate of farm price supports was adjusted to reflect savings from the payment-in-kind program, which was implemented administratively before the beginning of 1984.

Payments for individuals, which are essentially income transfers, were 75% of all open-ended programs and fixed costs in 1984. Actual outlays for this grouping were \$17.4 billion lower than

originally estimated. This decrease was the net effect of legislative action, differences between actual and assumed economic conditions, differences between the anticipated and actual number of beneficiaries, and technical reestimates.

Outlays for social security and railroad retirement, the largest category of payments for individuals, were \$4.0 billion lower than estimated. Outlays for these programs were lower primarily because of the enactment of the Social Security Amendments of 1983 and the Railroad Retirement Solvency Act of 1983, which delayed automatic cost-of-living adjustments. Outlays also decreased because lower than anticipated inflation reduced the size of the cost-of-living adjustment.

Outlays for Federal employees' retirement and disability insurance programs were \$1.5 billion below the budget estimate. These programs consist of military retired pay, civilian employee retirement and disability, and veterans service-connected compensation. Except for veterans service-connected compensation, these benefits are automatically indexed to the consumer price index. Outlays for the indexed programs were below the initial estimates by \$1.6 billion primarily due to lower than expected inflation and six-month delays in applying cost-of-living adjustments. Outlays for veterans' compensation were \$0.1 billion above the original estimate due to the net effect of congressional enactment of a cost-of-living adjustment and a lower caseload than anticipated.

Outlays for unemployment compensation programs were \$9.9 billion below the initial estimate. This decrease was the result of a lower than forecast rate of unemployment offset partially by increases due to enacted legislation. Lower unemployment reduced outlays by \$12.9 billion; an extension of Federal supplemental unemployment compensation raised 1984 outlays by \$3.0 billion.

Outlays for medical care were \$5.0 billion lower than estimated. Medicare outlays were \$4.1 billion below the initial estimate as a result of lower than anticipated medical prices and technical reestimates related to the new prospective payment system. Outlays for the medicaid program were \$0.9 billion below the initial estimate.

Assistance to students consists of GI bill benefits and the guaranteed student loans program. Outlays for the guaranteed student loans program were \$1.1 billion above the estimate due primarily to the effect of higher than expected interest rates, loan volume, and default rates.

Food and nutrition assistance includes the child nutrition and special milk programs. Outlays for these programs were \$0.3 billion higher than estimated because a greater number of meals were served than originally anticipated.

Public assistance and related programs include public assistance payments, supplemental security income, outlays for earned income tax credits, and veterans non-service-connected pensions. Outlays for these programs were \$1.6 billion above the estimate. The largest change, \$1.0 billion, occurred in the supplemental security income program. This change was the net effect of a greater number of beneficiaries and higher average benefits than anticipated, a delay in the cost-of-living adjustment, and legislation that allowed a \$20 monthly deduction from income used to calculate benefit awards.

Relatively uncontrollable outlays for all other payments to individuals were \$0.1 billion higher than estimated, due primarily to higher than expected payments for black lung disabilities.

Open-ended programs and fixed costs other than payments for individuals were 25% of all open-ended programs and fixed costs in 1984. Outlays for net interest were \$5.2 billion or 4.9% higher than the original estimate. This increase is the net effect of higher than anticipated interest rates and less Federal borrowing than expected. The budget estimate assumed an 8.0% interest rate on 91-day Treasury bills for fiscal year 1984, whereas the actual rate averaged 9.5%.

Outlays for farm price supports (Commodity Credit Corporation) were \$2.2 billion below the initial estimate. A large drop in crop production due to a drought accounts for a decrease of \$3.7 billion in outlays. This was partially offset by a \$1.4 billion increase in outlays for export credit.

Outlays for prior-year contracts and obligations for civilian and national defense programs were \$8.4 billion below the initial estimate. National defense outlays were below the estimate because of slower than anticipated spending. Outlays for civilian programs were also lower than the initial estimate.

Comparison of actual and estimated receipts.—Budget receipts in 1984 were \$666.5 billion, which is \$6.8 billion greater than the January 1983 estimate of \$659.7 billion.

Differences in economic assumptions—higher than anticipated incomes and interest rates, and lower than expected oil prices—accounted for a net increase in 1984 receipts of \$21.4 billion above the budget estimate. This increase was partially offset by changes in collection patterns and effective tax rates, which reduced receipts by \$7.6 billion. Differences in tax law from the legislation proposed in the budget reduced 1984 receipts by an additional \$7.0 billion. These legislative differences consisted of congressional inaction on, or modification of, the proposals in the 1984 budget, and of changes in law that were not proposed at that time.

A bipartisan social security plan, designed to ensure the future solvency of the social security trust funds, was proposed in the 1984

budget. This plan was estimated to increase 1984 receipts by \$8.2 billion. Other proposals, which were estimated to increase 1984 receipts by a net \$2.9 billion, included the taxation of employer-paid health insurance premiums in excess of a specified level, increases in contributions to civil service retirement, tax incentives for the redevelopment of economically distressed areas, a tuition tax credit, and a jobs tax credit for the long-term unemployed. Altogether, the January 1983 proposals were estimated to increase 1984 receipts by \$11.2 billion.

Four major laws affecting 1984 receipts were enacted after January 1983: the Social Security Amendments of 1983, the Interest and Dividends Tax Compliance Act of 1983, the Railroad Retirement Revenue Act of 1983, and the Deficit Reduction Act of 1984. These four Acts, together with several minor legislative changes, increased 1984 receipts by a net \$4.2 billion, which is \$7.0 billion less than the \$11.2 billion in increases that the administration had proposed.

Many of the provisions of the Social Security Amendments of 1983 were modifications of the recommendations of the bi-partisan National Commission on Social Security Reform, which were reflected in the January budget. The other major laws affecting 1984 receipts generally contained provisions that were not proposed in January 1983. The primary feature of the Interest and Dividends Tax Compliance Act of 1983 repealed the withholding of taxes on interest and dividend income provided in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). The Railroad Retirement Revenue Act of 1983 included increases in railroad retirement taxes, which—together with the benefit reductions provided in the Railroad Retirement Solvency Act of 1983—were designed to place the railroad retirement program on a sound financial basis. The major revenue provisions of the Deficit Reduction Act of 1984 (DEFRA) affecting 1984 receipts reduced the tax benefits available to those who lease property to governments and other tax-exempt entities, restricted the use of tax-straddles to avoid tax, and reformed the taxation of life insurance companies.

Individual income taxes were \$296.2 billion in 1984, \$0.6 billion more than the budget estimate of \$295.6 billion. Higher than anticipated personal incomes increased individual income taxes by \$5.9 billion. This increase was partially offset by different collection patterns and effective tax rates than had been assumed, which reduced individual income tax receipts by \$1.4 billion. Substitution of the Social Security Amendments of 1983 for the bi-partisan social security plan reflected in the 1984 budget, and repeal of the withholding of taxes on interest and dividend income, reduced individual income taxes by \$0.8 billion and \$2.6 billion, respectively. The Railroad Retirement Revenue Act and DEFRA, together

COMPARISON OF ACTUAL 1984 BUDGET RECEIPTS WITH THE JANUARY 1983 ESTIMATES

(In billions of dollars)

	January 1983 estimate	Differ- ences in tax law from 1983 proposals	Different economic conditions	Technical factors	Net change	Actual
Individual income taxes.....	295.6	-3.9	5.9	-1.4	0.6	296.2
Corporation income taxes.....	51.8	0.6	11.8	-7.3	5.1	56.9
Social insurance taxes and contributions.....	242.9	-3.4	3.5	-1.4	-1.3	241.7
Excise taxes.....	40.4	-0.3	-1.7	-1.0	-3.0	37.4
Estate and gift taxes.....	5.9	*	*	0.1	0.1	6.0
Customs duties.....	9.1	*	0.8	1.4	2.2	11.4
Miscellaneous receipts.....	14.0	*	1.1	1.9	3.0	17.0
Total.....	659.7	-7.0	21.4	-7.6	6.8	666.5

* \$50 million or less.

with congressional inaction on several administration proposals, reduced individual income taxes by a net \$0.5 billion.

Corporation income taxes were \$5.1 billion above the budget estimate. Higher than anticipated corporate profits increased receipts by \$11.8 billion. This increase was partially offset by different collection patterns and effective tax rates than had been assumed, which reduced receipts by \$7.3 billion. Differences in tax law from the changes proposed in January 1983 increased corporation income taxes by \$0.6 billion.

Social insurance taxes and contributions (which are composed of employment taxes and contributions, unemployment insurance receipts, and other retirement contributions) were \$1.3 billion less than the January 1983 estimate of \$242.9 billion. Higher than anticipated wages and salaries and self-employment earnings increased these receipts by \$3.5 billion. This increase was partially offset by a technical overestimate of collections of \$1.4 billion. In addition, substitution of the Social Security Amendments of 1983 for the proposed bi-partisan social security plan reduced these receipts by \$1.6 billion. Congressional inaction on the administration's proposals to increase contributions to civil service retirement and to tax a portion of employer-paid health insurance premiums reduced this category by \$1.2 billion and \$0.6 billion, respectively.

Lower than estimated collections of the windfall profit tax, due in large part to the unanticipated decline in oil prices, reduced 1984 excise taxes by \$3.4 billion. This decline was partially offset by a \$0.4 billion increase in other excise taxes.

Estate and gift taxes and customs duties were above the January 1983 estimates by \$0.1 billion and \$2.2 billion, respectively. Higher than expected imports, due primarily to the continued strength of the dollar relative to foreign currencies, were in large part responsible for the increase in customs duties receipts.

A \$2.9 billion increase in deposits of earnings by the Federal Reserve System, primarily reflecting higher interest rates than anticipated in January 1983, accounted for most of the \$3.0 billion increase in miscellaneous receipts.

THE DECREASE IN THE TOTAL 1984 DEFICIT FROM THE INITIAL BUDGET ESTIMATE

The preceding two sections discuss in detail the differences between the January 1983 budget estimates and the actual amounts of Federal Government receipts and outlays in 1984. This section summarizes the net impact of these differences on estimates of the total deficit. The total deficit is the difference between receipts and outlays, where outlays include the spending of Federal entities that are off-budget under current law but are proposed to be included on-budget.

The deficit for 1984 was originally estimated to be \$202.8 billion; the actual deficit was \$185.3 billion, a \$17.5 billion decrease. The following table shows the approximate distribution of this difference according to three categories: (1) policy; (2) economic conditions that were different from the original forecast; and (3) estimating and other differences. Each category is subdivided to show the impact of receipts compared to outlays. An increase in receipts is shown as positive because it reduces the deficit, while an increase in outlays is shown as negative because it raises the deficit.

SUMMARY OF REASONS FOR THE DIFFERENCE IN THE TOTAL 1984 DEFICIT

(In billions of dollars)

January 1983 estimate of deficit (—)	—202.8
Changes:	
Policy:	
Receipts	—7.0
Outlays	—13.8
Subtotal, policy	—20.8
Economic conditions:	
Receipts	+21.4
Outlays	+17.0
Subtotal, economic conditions	+38.4
Estimating and other differences:	
Receipts	—7.6
Outlays	+7.5
Subtotal, estimating and other differences	—0.1
Total, changes	+17.5
Actual deficit (—)	—185.3
MEMORANDUM:	
Total change in receipts	+6.8
Total change in outlays	+10.7

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Funds Appropriated to the President—Con.				
Public Works Acceleration				
<i>Federal funds</i>				
General and Special Funds:				
Public works acceleration	452			
Outlays.....	0	1,136		
Summary				
Federal funds:				
(As shown in detail above).....	BA	17,295,394	14,329,056	13,557,397
	O	9,672,366	12,122,586	13,186,400
Deductions for offsetting receipts:				
Proprietary receipts from the public	151 BA	—372,267	—324,308	—344,608
	O			
	152 BA	—85,945	—93,200	—99,200
	O			
	908 BA	—433,242	—429,802	—694,195
	O			
Total Federal funds.....	BA	16,403,940	13,481,746	12,419,394
	O	8,780,912	11,275,276	12,048,397
Trust funds:				
(As shown in detail above).....	BA	10,440,466	12,849,650	13,393,689
	O	10,940,306	11,915,507	12,515,750
Deductions for offsetting receipts:				
Proprietary receipts from the public	151 BA	—4,429	—15,000	—15,000
	O			
	155 BA	—11,236,837	—12,100,000	—12,400,000
	O			
Total Trust funds.....	BA	—800,800	734,650	978,689
	O	—300,960	—199,493	100,750
Total Funds Appropriated to the President.....	BA	15,603,140	14,216,396	13,398,083
	O	8,479,952	11,075,783	12,149,147

Department of Agriculture

Office of the Secretary

Federal funds

General and Special Funds:				
Office of the Secretary	352			
Appropriation, current.....	BA	5,095	5,240 D 129	4,659
			H — 114	
Outlays.....	O	4,512	5,366	4,659
			H — 114	
Total Office of the Secretary.....	BA	5,095	5,255	4,659
	O	4,512	5,252	4,659

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Office of the Secretary—Con.				
<i>Trust funds</i>				
Gifts and bequests	352			
Appropriation, permanent.....	BA	150		
Outlays.....	0	8	72	71
Departmental Administration				
<i>Federal funds</i>				
General and Special Funds:				
Departmental administration	352			
Appropriation, current.....	BA	18,282	18,873 C 5	16,776
			D 295	
			H — 149	
Outlays.....	0	15,806	19,173 H — 149	16,776
Total Departmental administration.....	BA	18,282	19,024	16,776
	0	15,806	19,024	16,776
Standard level user charges	352			
Appropriation, current.....	BA	64,270	67,254	77,300
Outlays.....	0	56,136	67,254	77,300
Advisory committees	352			
Appropriation, current.....	BA	1,398	1,385	1,323
Outlays.....	0	949	1,385	1,323
Intragovernmental Funds:				
Working capital fund	352			
Appropriation, current.....	BA		6,000	6,000
Outlays.....	0	— 1,761	6,000	6,000
Total Federal funds Departmental Administration.	BA	83,950	93,663	101,399
	0	71,130	93,663	101,399
Office of Governmental and Public Affairs				
<i>Federal funds</i>				
General and Special Funds:				
Office of Governmental and Public Affairs	352			
Appropriation, current.....	BA	7,466	7,615 D 62	6,799
			H — 497	
Outlays.....	0	6,917	7,677 H — 497	6,799
Total Office of Governmental and Public Affairs..	BA	7,466	7,180	6,799
	0	6,917	7,180	6,799

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Office of the Inspector General				
<i>Federal funds</i>				
General and Special Funds:				
Office of the Inspector General	352			
Appropriation, current.....	BA	44,996	45,890 <i>G</i> 431 <i>H</i> — 41	40,866
Outlays.....	O	42,296	45,608 <i>H</i> — 41	40,224
Total Office of the Inspector General.....	BA O	44,996 42,296	46,280 45,567	40,866 40,224
Office of the General Counsel				
<i>Federal funds</i>				
General and Special Funds:				
Office of the General Counsel	352			
Appropriation, current.....	BA	15,306	15,715 <i>D</i> 206 <i>H</i> — 24	13,961
Outlays.....	O	15,090	15,921 <i>H</i> — 24	13,961
Total Office of the General Counsel.....	BA O	15,306 15,090	15,897 15,897	13,961 13,961
Agricultural Research Service				
<i>Federal funds</i>				
General and Special Funds:				
Agricultural Research Service	352			
Appropriation, current.....	BA	475,406	487,022 <i>H</i> — 1,313	485,286
Appropriation, permanent.....	BA	2,800	2,800	
Outlays.....	O	481,307	485,804 <i>H</i> — 1,313	477,835
Total Agricultural Research Service.....	BA O	478,206 481,307	488,509 484,491	485,286 477,835
Buildings and facilities	352			
Appropriation, current.....	BA	77,925	23,050 <i>H</i> — 20,950	
Outlays.....	O	3,886	19,204 <i>H</i> — 3,154	64,865 <i>H</i> — 19,626
Total Buildings and facilities.....	BA O	77,925 3,886	2,100 16,050	

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Agricultural Research Service—Con.				
<i>Trust funds</i>				
Miscellaneous contributed funds	352			
Appropriation, permanent, indefinite	BA	732	2,000	2,000
Outlays	O	1,352	2,000	2,000
Total Federal funds Agricultural Research Service	BA	556,131	490,609	485,286
	O	485,193	500,541	523,074
Total Trust funds Agricultural Research Service...	BA	732	2,000	2,000
	O	1,352	2,000	2,000
Cooperative State Research Service				
<i>Federal funds</i>				
General and Special Funds:				
Cooperative State Research Service	352			
Appropriation, current	BA	247,655	289,276 H — 151	251,161
Outlays	O	239,490	257,798 H — 151	258,500
Total Cooperative State Research Service	BA	247,655	289,125	251,161
	O	239,490	257,647	258,500
Extension Service				
<i>Federal funds</i>				
General and Special Funds:				
Extension Service	352			
Appropriation, current	BA	334,340	343,727 H — 310	264,808
Outlays	O	329,580	342,093 H — 310	266,700
Total Extension Service	BA	334,340	343,417	264,808
	O	329,580	341,783	266,700
National Agricultural Library				
<i>Federal funds</i>				
General and Special Funds:				
National Agricultural Library	352			
Appropriation, current	BA	10,382	11,400 D 64 H — 11	11,100
Outlays	O	10,024	11,198 H — 11	11,000
Total National Agricultural Library	BA	10,382	11,453	11,100
	O	10,024	11,187	11,000

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Statistical Reporting Service				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	352			
Appropriation, current.....	BA	54,430	56,289 ^A 1,560 ^D 538 ^H — 206	57,179
Outlays.....	0	55,538	56,619 ^A 1,560 ^H — 206	56,349
Total Salaries and expenses.....	BA 0	54,430 55,538	58,181 57,973	57,179 56,349
<i>Trust funds</i>				
Miscellaneous contributed funds	352			
Appropriation, permanent.....	BA	224	275	275
Outlays.....	0	143	275	275
Economic Research Service				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	352			
Appropriation, current.....	BA	44,329	45,614 ^D 489 ^H — 132	44,596
Reappropriation.....	BA		545	
Outlays.....	0	40,929	46,013 ^H — 132	44,287
Total Salaries and expenses.....	BA 0	44,329 40,929	46,516 45,881	44,596 44,287
<i>Trust funds</i>				
Miscellaneous contributed funds	352			
Appropriation, permanent.....	BA	44	54	24
Outlays.....	0	55	54	24
World Agricultural Outlook Board				
<i>Federal funds</i>				
General and Special Funds:				
World agricultural outlook board	352			
Appropriation, current.....	BA	1,533	1,642 ^D 34 ^H — 32	1,619
Outlays.....	0	1,520	1,603 ^H — 32	1,616
Total World agricultural outlook board.....	BA 0	1,533 1,520	1,644 1,571	1,619 1,616

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Foreign Agricultural Service				
<i>Federal funds</i>				
General and Special Funds:				
Foreign Agricultural Service	352			
Appropriation, current.....	BA	83,983	83,448 <i>D</i> 274	82,446
			<i>H</i> — 424	
Outlays.....	O	73,711	83,722 <i>H</i> — 424	82,642
Total Foreign Agricultural Service.....	BA	83,983	83,298	82,446
	O	73,711	83,298	82,642
Salaries and expenses (special foreign currency program)				
Outlays.....	O		74	
Total Federal funds Foreign Agricultural Service..	BA	83,983	83,298	82,446
	O	73,711	83,372	82,642
Office of International Cooperation and Development				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	352			
Appropriation, current.....	BA	5,016	5,038 <i>H</i> — 52	3,790
Outlays.....	O	— 1,258	4,638 <i>H</i> — 52	3,803
Total Salaries and expenses.....	BA	5,016	4,986	3,790
	O	— 1,258	4,586	3,803
Scientific activities overseas (foreign currency program)				
Appropriation, current.....	BA	5,000	5,000 <i>H</i> — 9	
Outlays.....	O	2,905	4,792 <i>H</i> — 9	4,528
Total Scientific activities overseas (foreign currency program)	BA	5,000	4,991	
	O	2,905	4,783	4,528
<i>Trust funds</i>				
Miscellaneous contributed funds	352			
Appropriation, permanent, indefinite.....	BA	4,689	7,900	7,083
Outlays.....	O	6,167	7,900	7,083
Total Federal funds Office of International Cooperation and Development	BA	10,016	9,977	3,790
	O	1,647	9,369	8,331
Total Trust funds Office of International Cooperation and Development	BA	4,689	7,900	7,083
	O	6,167	7,900	7,083

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Foreign Assistance Programs				
<i>Federal funds</i>				
General and Special Funds:				
Expenses, Public Law 480, foreign assistance programs, Agriculture	151			
Appropriation, current.....	BA	1,377,000	1,355,000	^K 1,307,000
			^A 185,000	
Outlays.....	O	1,085,393	1,590,000	1,307,000
			^A 201,000	
Total Expenses, Public Law 480, foreign assistance programs, Agriculture.....	BA	1,377,000	1,540,000	1,307,000
	O	1,085,393	1,791,000	1,307,000
Agricultural Stabilization and Conservation Service				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	351			
Appropriation, current.....	BA	52,092	50,857	
			^H — 100	
Outlays.....	O	50,491	58,218	35,303
			^H — 100	
Total Salaries and expenses.....	BA	52,092	50,757	
	O	50,491	58,118	35,303
Rural clean water program	304			
Outlays.....	O	5,169	9,000	11,000
Agricultural conservation program	302			
Appropriation, current.....	BA	190,000	190,000	
Outlays.....	O	180,051	197,000	133,000
Water Bank program	302			
Appropriation, current.....	BA	8,800	8,800	
Outlays.....	O	10,034	10,200	8,137
Cropland adjustment program	351			
Outlays.....	O	15		
Emergency conservation program	453			
Appropriation, current.....	BA	19,000		
Outlays.....	O	15,488	11,363	12,362
Dairy indemnity program	351			
Appropriation, current.....	BA	1,800	100	
			^H — 88	
Outlays.....	O	2,442	100	
			^H — 88	
Total Dairy indemnity program.....	BA	1,800	12	
	O	2,442	12	

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Agricultural Stabilization and Conservation Service—Con.				
Forestry incentives program	302			
Appropriation, current.....	BA	12,500	12,500	
Outlays	0	10,826	13,443	11,994
Total Federal funds Agricultural Stabilization and Conservation Service.....	BA	284,192	262,069	
	0	274,516	299,136	211,796
Federal Crop Insurance Corporation				
<i>Federal funds</i>				
General and Special Funds:				
Administrative and operating expenses	351			
Appropriation, current.....	BA	200,000	200,000	239,234
			^D 502	
			^H — 1,906	
Outlays	0	126,508	200,502	^J — 74,977
			^H — 1,906	239,234
				^J — 74,977
Total Administrative and operating expenses	BA	200,000	198,596	164,257
	0	126,508	198,596	164,257
Public Enterprise Funds:				
Federal Crop Insurance Corporation fund	351			
Appropriation, current.....	BA	160,000	110,000	135,000
			^A 50,000	
Outlays	0	449,141	222,227	^J — 42,952
				109,497
				^J — 25,817
Total Federal Crop Insurance Corporation fund.....	BA	160,000	160,000	92,048
	0	449,141	222,227	83,680
Total Federal funds Federal Crop Insurance Corporation	BA	360,000	358,596	256,305
	0	575,649	420,823	247,937
Commodity Credit Corporation				
<i>Federal funds</i>				
Public Enterprise Funds:				
Commodity Credit Corporation Fund	351			
Appropriation, permanent, indefinite	BA	93,575	131,959	99,065
Authority to borrow, permanent	BA	66,205	12,866,409	11,217,370
				^L — 1,821,130
Liquidation of contract authority, current.....		(9,607,431)		
Outlays	0	7,315,488	15,031,085	12,343,523
			^H — 31	
				^L — 1,821,130
Total Commodity Credit Corporation Fund	BA	159,780	12,998,368	9,495,305
	0	7,315,488	15,031,054	10,522,393

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Commodity Credit Corporation—Con.				
General and Special Funds:				
Temporary emergency food assistance program				
	351			
Appropriation, current.....	BA	50,000	50,000	
Outlays.....	O	48,752	50,190	16,734
Total Federal funds Commodity Credit Corporation.....	BA	209,780	13,048,368	9,495,305
	O	7,364,240	15,081,244	10,539,127
Office of Rural Development Policy				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses				
	452			
Appropriation, current.....	BA	2,017	2,345	2,173
			^D 18	
			^H — 36	
Outlays.....	O	2,006	2,448	2,214
			^H — 36	
Total Salaries and expenses.....	BA	2,017	2,327	2,173
	O	2,006	2,412	2,214
Rural Electrification Administration				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses				
	271			
Appropriation, current.....	BA	29,905	30,340	28,392
			^D 324	
			^H — 288	
Outlays.....	O	27,817	30,987	28,389
			^H — 264	^H — 24
Total Salaries and expenses.....	BA	29,905	30,376	28,392
	O	27,817	30,723	28,365
Reimbursement to the Rural electrification and telephone revolving fund for interest subsidies and losses				
	271			
Appropriation, current.....	BA	197,862	215,964	
			^H — 215,964	
Outlays.....	O	197,862	215,964	
			^H — 215,964	
Total Reimbursement to the Rural electrification and telephone revolving fund for interest subsidies and losses.....	BA	197,862		
	O	197,862		

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Rural Electrification Administration—Con.				
Purchase of Rural Telephone Bank capital stock				
452				
Appropriation, current.....	BA	30,000	30,000	
			^H — 30,000	
Outlays.....	O	30,000	30,000	
			^H — 30,000	
Total Purchase of Rural Telephone Bank capital stock.....	BA	30,000		
	O	30,000		
Public Enterprise Funds:				
Rural communication development fund 452				
Appropriation, current.....	BA	375	841	1,203
Authority to borrow, permanent, indefinite.....	BA	819	763	631
Outlays.....	O	4,950	10,130	1,834
Total Rural communication development fund.....	BA	1,194	1,604	1,834
	O	4,950	10,130	1,834
Rural electrification and telephone revolving fund 271				
Authority to borrow, permanent.....	BA	^Y 323,917		
Outlays.....	O	^Y — 728		
Limitation on direct loan obligations.....		^Y (1,078,559)	^Y (1,121,706)	^Y (575,000)
Limitation on guaranteed loan commitments.....		^Y (4,145,000)	^Y (2,345,000)	^Y (300,000)
Rural telephone bank 452				
Authority to borrow, permanent, indefinite.....	BA	^Y 75,048	^Y 113,633	^Y 141,348
Outlays.....	O	^Y 15,319	^Y 70,232	^Y 97,948
Limitation on direct loan obligations.....		^Y (220,000)	^Y (220,000)	^Y (185,000)
Total Federal funds Rural Electrification Administration.....	BA	657,926	145,613	171,574
	O	275,220	111,085	128,147
Farmers Home Administration				
<i>Federal funds</i>				
General and Special Funds:				
Rural water and waste disposal grants 452				
Appropriation, current.....	BA	90,000	115,000	25,000
Outlays.....	O	134,883	183,769	170,890
Salaries and expenses 452				
Appropriation, current.....	BA	330,403	327,251	227,940
			^A 16,866	
			^C 11	
			^D 8,035	
			^H — 1,315	
Outlays.....	O	324,079	334,671	227,676
			^A 16,023	^A 843
			^H — 1,315	
Total Salaries and expenses.....	BA	330,403	350,848	227,940
	O	324,079	349,379	228,519

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Farmers Home Administration—Con.				
Rural community fire protection grants	452			
Appropriation, current.....	BA	3,250	3,250	
Outlays.....	O	2,952	3,377	2,325
Mutual and self-help housing	604			
Appropriation, current.....	BA	6,000	8,000	
Outlays.....	O	7,560	8,085	4,537
Very low income housing repair grants	604			
Appropriation, current.....	BA	12,500	12,500	
Outlays.....	O	13,643	12,039	625
Rural rental assistance payments	604			
Appropriation, current.....	BA	49,000	52,250	
Outlays.....	O		17,038	18,657
Compensation for construction defects	371			
Appropriation, current.....	BA	2,000	1,000	
Outlays.....	O	395	1,000	
Rural housing preservation grants	604			
Appropriation, current.....	BA	15,000	5,000	
Outlays.....	O		1,000	8,000
Miscellaneous expiring appropriations:				
(Mortgage credit and deposit insurance)	371			
(Outlays)	O	202	16	
(Area and regional development)	452			
(Outlays)	O	835	1,545	772
(Housing assistance)	604			
(Appropriation, current)	BA	4,393		
(Outlays)	O	11,075	10,771	9,699
Total Miscellaneous expiring appropriations	BA	4,393		
	O	12,112	12,332	10,471
Public Enterprise Funds:				
Agricultural credit insurance fund	351			
Appropriation, current.....	BA	895,522	1,089,943	1,477,565
Authority to borrow, permanent, indefinite	BA	1,621,165	844,600	
Outlays.....	O	2,477,506	1,608,980	1,242,833
				— 44,000
Limitation on direct loan obligations.....		(2,987,000)	(2,612,000)	(400,000)
Total Agricultural credit insurance fund	BA	2,516,687	1,934,543	1,477,565
	O	2,477,506	1,608,980	1,198,833
Self-help housing land development fund	371			
Outlays.....	O	— 1,021	492	609
Rural housing insurance fund	371			
Appropriation, current.....	BA	1,508,082	1,843,927	2,136,784
Indefinite	BA	112,769	148,413	142,786
Authority to borrow, permanent, indefinite	BA	982,749	281,444	
Outlays.....	O	2,340,479	2,227,120	2,490,927
Limitation on direct loan obligations.....		(3,265,000)	(3,238,000)	(30,000)
Total Rural housing insurance fund.....	BA	2,603,600	2,273,784	2,279,570
	O	2,340,479	2,227,120	2,490,927

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Farmers Home Administration—Con.				
Rural development insurance fund	452			
Appropriation, current.....	BA	477,829	560,005	612,098
Authority to borrow, permanent, indefinite.....	BA	229,198	76,000	3,239
Outlays.....	O	753,116	709,270	747,400
Limitation on direct loan obligations.....		(400,000)	(455,000)	(50,000)
Total Rural development insurance fund.....	BA	707,027	636,005	615,337
	O	753,116	709,270	747,400
Total Federal funds Farmers Home Administra- tion.....	BA	6,339,860	5,392,180	4,625,412
	O	6,065,704	5,133,881	4,881,793
Soil Conservation Service				
<i>Federal funds</i>				
General and Special Funds:				
Conservation operations	302			
Appropriation, current.....	BA	355,085	356,364 G 8,365 H — 5,174	354,179
Outlays.....	O	353,051	364,323 H — 4,864	354,849 H — 310
Total Conservation operations.....	BA	355,085	359,555	354,179
	O	353,051	359,459	354,539
River basin surveys and investigations	301			
Appropriation, current.....	BA	15,619	14,654 H — 235	11,574
Outlays.....	O	15,444	14,906 H — 221	12,481 H — 14
Total River basin surveys and investigations.....	BA	15,619	14,419	11,574
	O	15,444	14,685	12,467
Watershed planning	301			
Appropriation, current.....	BA	8,675	8,750 H — 133	6,895
Outlays.....	O	8,250	8,750 H — 125	6,998 H — 8
Total Watershed planning.....	BA	8,675	8,617	6,895
	O	8,250	8,625	6,990
Watershed and flood prevention operations	301			
Appropriation, current.....	BA	195,200	182,300 F — 8,365 H — 918	62,631
Outlays.....	O	218,244	277,810 H — 863	177,369 H — 55
Total Watershed and flood prevention operations.	BA	195,200	173,017	62,631
	O	218,244	276,947	177,314

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Soil Conservation Service—Con.				
Great plains conservation program	302			
Appropriation, current.....	BA	21,315	21,315	7,402
			^H — 126	
Outlays.....	O	21,017	21,481	18,412
			^H — 118	^H — 8
Total Great plains conservation program.....	BA	21,315	21,189	7,402
	O	21,017	21,363	18,404
Resource conservation and development	302			
Appropriation, current.....	BA	26,000	26,000	10,000
			^H — 164	
Outlays.....	O	29,523	28,357	21,540
			^H — 154	^H — 10
Total Resource conservation and development.....	BA	26,000	25,836	10,000
	O	29,523	28,203	21,530
<i>Trust funds</i>				
Miscellaneous contributed funds:				
(Water resources)	301			
(Appropriation, permanent, indefinite).....	BA	459	600	460
(Outlays).....	O	1,271	3,824	1,611
(Conservation and land management)	302			
(Appropriation, permanent, indefinite).....	BA	100	100	100
(Outlays).....	O	100	100	100
Total Miscellaneous contributed funds.....	BA	559	700	560
	O	1,371	3,924	1,711
Total Federal funds Soil Conservation Service.....	BA	621,894	602,633	452,681
	O	645,529	709,282	591,244
Total Trust funds Soil Conservation Service.....	BA	559	700	560
	O	1,371	3,924	1,711
Animal and Plant Health Inspection Service				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	352			
Appropriation, current.....	BA	271,402	277,041	242,004
			^H — 1,464	
				^J — 12,298
Outlays.....	O	290,709	276,791	242,004
			^H — 1,464	
				^J — 12,298
Total Salaries and expenses.....	BA	271,402	275,577	229,706
	O	290,709	275,327	229,706
Buildings and facilities	352			
Appropriation, current.....	BA	2,386	2,361	2,361
Outlays.....	O	2,333	4,985	4,620

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Animal and Plant Health Inspection Service—Con.				
<i>Trust funds</i>				
Miscellaneous trust funds	352			
Appropriation, permanent, indefinite	BA	4,094	2,878	2,878
Outlays	O	3,263	2,529	2,878
Total Federal funds Animal and Plant Health Inspection Service	BA	273,788	277,938	232,067
	O	293,042	280,312	234,326
Total Trust funds Animal and Plant Health Inspection Service	BA	4,094	2,878	2,878
	O	3,263	2,529	2,878
Federal Grain Inspection Service				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	352			
Appropriation, current	BA	6,861	6,936 D 58 H — 94	6,820
Outlays	O	6,049	6,994 H — 94	J — 2,220 6,820
Total Salaries and expenses	BA	6,861	6,900	4,600
	O	6,049	6,900	4,600
Public Enterprise Funds:				
Inspection and weighing services	352			
Appropriation, current	BA	6,000		
Outlays	O	— 2,556	— 283	
Total Federal funds Federal Grain Inspection Service	BA	12,861	6,900	4,600
	O	3,493	6,617	4,600
Agricultural Marketing Service				
<i>Federal funds</i>				
General and Special Funds:				
Marketing services	352			
Appropriation, current	BA	30,924	29,464 D 841 H — 150	29,134
Outlays	O	38,314	30,305 H — 150	J — 17,319 29,134
Total Marketing services	BA	30,924	30,155	J — 18,319 11,815
	O	38,314	30,155	10,815

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Agricultural Marketing Service—Con.				
Payments to States and possessions	352			
Appropriation, current.....	BA	1,000	990	
Outlays.....	O	898	1,808	
Perishable Agricultural Commodities Act fund	352			
Appropriation, permanent, indefinite.....	BA	2,906	3,356	3,356
Outlays.....	O	3,084	3,336	3,356
Funds for strengthening markets, income, and supply (section 32)	605			
Appropriation, permanent, indefinite.....	BA	355,947	487,263	380,430
Outlays.....	O	417,178	377,928	359,983
				✓ — 6,193
Total Funds for strengthening markets, income, and supply (section 32)	BA	355,947	487,263	380,430
	O	417,178	377,928	353,790
<i>Trust funds</i>				
Miscellaneous trust funds	352			
Appropriation, permanent, indefinite.....	BA	69,301	76,216	76,367
Outlays.....	O	65,525	75,382	76,367
Milk market orders assessment fund	351			
Outlays.....	O	— 1,290	— 125	
Total Federal funds Agricultural Marketing Service	BA	390,777	521,764	395,601
	O	459,474	413,227	367,961
Total Trust funds Agricultural Marketing Service.	BA	69,301	76,216	76,367
	O	64,235	75,257	76,367
Office of Transportation				
<i>Federal funds</i>				
General and Special Funds:				
Office of Transportation	352			
Appropriation, current.....	BA	2,549	2,515	2,063
			^D 27	
			^H — 18	
Outlays.....	O	2,572	2,542	2,063
			^H — 18	
Total Office of Transportation	BA	2,549	2,524	2,063
	O	2,572	2,524	2,063

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Food Safety and Inspection Service				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	554			
Appropriation, current.....	BA	338,808	353,239 ^D 11,396 ^H — 2,473	347,799 ^J — 2,000
Outlays.....	O	338,437	363,946 ^H — 2,473	347,799 ^J — 2,000
Total Salaries and expenses.....	BA O	338,808 338,437	362,162 361,473	345,799 345,799
<i>Trust funds</i>				
Expenses and refunds, inspection and grading of farm products	352			
Appropriation, permanent, indefinite.....	BA	825	848	752
Outlays.....	O	615	848	752
Food and Nutrition Service				
<i>Federal funds</i>				
General and Special Funds:				
Food program administration	605			
Appropriation, current.....	BA	83,062	83,187 ^D 1,000 ^H — 684	79,065 ^J — 2,000
Outlays.....	O	82,266	83,761 ^H — 684	79,576 ^J — 2,000
Total Food program administration.....	BA O	83,062 82,266	83,503 83,077	79,065 79,576
Food stamp program	605			
Appropriation, current.....	BA	11,722,914	11,433,290 ^A 318,856 ^F — 431 ^H — 8,762	11,876,074 ^L — 20,320
Outlays.....	O	11,561,023	11,465,900 ^A 308,014 ^H — 8,762	11,861,973 ^A 10,842 ^L — 13,607
Total Food stamp program.....	BA O	11,722,914 11,561,023	11,742,953 11,765,152	11,855,754 11,859,208
Nutrition assistance for Puerto Rico	605			
Appropriation, current.....	BA	825,000	825,000	825,000
Outlays.....	O	814,226	833,411	825,000
Special milk program	605			
Appropriation, current.....	BA	11,920	17,600	11,500
Outlays.....	O	16,000	16,142	17,590

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Food and Nutrition Service—Con.				
Child nutrition programs	605			
Appropriation, current.....	BA	1,251,463	1,474,861	863,493
				^L — 685,960
Appropriation, permanent.....	BA	2,307,295	2,329,819	3,250,647
Outlays.....	O	3,536,378	3,835,859	4,097,380
				^L — 648,232
Total Child nutrition programs.....	BA	3,558,758	3,804,680	3,428,180
	O	3,536,378	3,835,859	3,449,148
Women, infants and children programs (WIC and CSFP)	605			
Appropriation, current.....	BA	1,400,150	1,448,501	1,513,849
Outlays.....	O	1,397,777	1,519,453	1,511,040
Food donations program	605			
Appropriation, current.....	BA	166,936	139,546	174,607
Outlays.....	O	171,717	163,223	172,595
Total Federal funds Food and Nutrition Service.....	BA	17,768,740	18,061,783	17,887,955
	O	17,579,387	18,216,317	17,914,157
Human Nutrition Information Service				
<i>Federal funds</i>				
General and Special Funds:				
Human Nutrition Information Service	352			
Appropriation, current.....	BA	6,148	7,496	13,416
			^D 37	
			^H — 34	
Outlays.....	O	7,322	7,672	10,817
			^H — 34	
Total Human Nutrition Information Service.....	BA	6,148	7,499	13,416
	O	7,322	7,638	10,817
Packers and Stockyards Administration				
<i>Federal funds</i>				
General and Special Funds:				
Packers and Stockyards Administration	352			
Appropriation, current.....	BA	9,013	9,035	8,874
			^D 85	
			^H — 117	
				^J — 4,437
Outlays.....	O	8,773	9,120	8,874
			^H — 117	
				^J — 4,437
Total Packers and Stockyards Administration.....	BA	9,013	9,003	4,437
	O	8,773	9,003	4,437

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Agricultural Cooperative Service				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	352			
Appropriation, current.....	BA	4,677	4,639 H — 50	3,565
Outlays.....	0	4,139	4,639 H — 50	J — 1,565 3,565
Total Salaries and expenses.....	BA	4,677	4,589	2,000
	0	4,139	4,589	2,000
<i>Trust funds</i>				
Miscellaneous contributed funds	352			
Outlays.....	0	1		
Forest Service				
<i>Federal funds</i>				
General and Special Funds:				
Forest research	302			
Appropriation, current.....	BA	108,555	120,964 H — 923	104,171
Outlays.....	0	108,811	119,077 H — 739	105,058 H — 184
Total Forest research.....	BA	108,555	120,041	104,171
	0	108,811	118,338	104,874
State and private forestry	302			
Appropriation, current.....	BA	60,579	58,315 H — 463	29,723
Outlays.....	0	56,854	59,008 H — 370	32,866 H — 93
Total State and private forestry.....	BA	60,579	57,852	29,723
	0	56,854	58,638	32,773
National forest system	302			
Appropriation, current.....	BA	922,807	1,045,680 ^ 61,247 H — 12,134	1,039,157
Outlays.....	0	1,056,724	993,753 ^ 61,247 H — 9,709	J 64,185 1,006,514 H — 2,425 J 63,023
Total National forest system.....	BA	922,807	1,094,793	1,103,342
	0	1,056,724	1,045,291	1,067,112

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Forest Service—Con.				
Construction	302			
Appropriation, current.....	BA	251,724	36,972	209,637
			^H — 1,922	
Outlays.....	O	292,201	261,342	222,675
			^H — 1,537	^H — 385
Total Construction.....	BA	251,724	35,050	209,637
	O	292,201	259,805	222,290
Other appropriations	302			
Outlays.....	O	1,282	5,244	.....
Acquisition of lands for national forests, special acts	302			
Appropriation, current.....	BA	780	766	780
Outlays.....	O	367	766	780
Acquisition of lands to complete land exchanges	302			
Appropriation, current, indefinite.....	BA	380	20	20
Outlays.....	O	324	20	20
Range betterment fund	302			
Appropriation, current, indefinite.....	BA	4,028	3,966	3,908
Outlays.....	O	4,301	3,978	3,920
Land acquisition	303			
Appropriation, current.....	BA	40,052	43,603	2,278
			^H — 68	
Outlays.....	O	38,368	42,142	41,200
			^H — 54	^H — 14
Total Land acquisition.....	BA	40,052	43,535	2,278
	O	38,368	42,088	41,186
Operations and maintenance of quarters	302			
Appropriation, permanent, indefinite.....	BA	.....	5,300	5,700
Outlays.....	O	.....	4,240	5,620
Forest Service permanent appropriations	302			
Appropriation, permanent, indefinite.....	BA	134,368	141,953	137,901
Outlays.....	O	72,027	148,056	136,567
Forest Service permanent appropriations	852			
Appropriation, current, indefinite.....	BA	.....	^J — 356,000	
Appropriation, permanent, indefinite.....	BA	203,331	238,842	423,247
Outlays.....	O	203,331	238,842	423,247
			^J — 356,000	
Total Forest Service permanent appropriations.....	BA	203,331	238,842	67,247
	O	203,331	238,842	67,247
Intragovernmental Funds:				
Working capital fund	302			
Outlays.....	O	— 21,915	.....	.....

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Forest Service—Con.				
<i>Trust funds</i>				
Miscellaneous trust funds				
(	302			
(Appropriation, current)	BA		88	90
(Appropriation, permanent, indefinite)	BA	231,109	153,270	158,382
(Outlays)	O	134,546	153,104	152,522
Total (	BA	231,109	153,358	158,472
	O	134,546	153,104	152,522
(	401			
(Outlays)	O		32	
Total Miscellaneous trust funds	BA	231,109	153,358	158,472
	O	134,546	153,136	152,522
Reforestation trust fund				
	302			
Appropriation, permanent, indefinite	BA	34,808	31,615	
Outlays	O	81,711	77,515	
Total Federal funds Forest Service	BA	1,726,604	1,742,118	1,664,707
	O	1,812,675	1,925,306	1,682,389
Total Trust funds Forest Service	BA	265,917	184,973	158,472
	O	216,257	230,651	152,522
Summary				
Federal funds:				
(As shown in detail above)	BA	31,886,246	43,850,561	38,232,764
	O	38,175,148	46,252,752	39,897,348
Deductions for offsetting receipts:				
Intrafund transactions				
	302 BA			
	O	434		
Proprietary receipts from the public	302 BA			
	O	—691,352	—1,212,163	—1,229,449
	303 BA			
	O	4,714		
	554 BA			
	O			—115,151
Total Federal funds	BA	31,200,042	42,638,398	36,888,164
	O	37,488,944	45,040,589	38,552,748
Trust funds:				
(As shown in detail above)	BA	346,535	275,844	248,411
	O	293,467	323,510	243,683
Deductions for offsetting receipts:				
Proprietary receipts from the public	302 BA			
	O	—231,103	—153,270	—158,382

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Department of Agriculture—Con.				
Summary—Con.				
	352 BA			
	O	—80,468	—90,871	—89,939
Total Trust funds	BA	34,964	31,703	90
	O	—18,104	79,369	—4,638
Total Department of Agriculture.....	BA	31,235,006	42,670,101	36,888,254
	O	37,470,840	45,119,958	38,548,110
Department of Commerce				
General Administration				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	376			
Appropriation, current.....	BA	37,539	35,990	35,309
			^A 992	
			^H — 499	
Outlays	O	34,153	35,596	36,558
			^A 893	^A 99
			^H — 4,149	^H — 50
Total Salaries and expenses	BA	37,539	36,483	35,309
	O	34,153	32,340	36,607
White House conference on productivity	376			
Outlays	O	196	24	.....
Special foreign currency program	376			
Appropriation, current.....	BA	693	500	.....
Outlays	O	92	600	576
Total Federal funds General Administration.....	BA	38,232	36,983	35,309
	O	34,441	32,964	37,183
Economic Development Assistance				
General Administration				
<i>Federal funds</i>				
General and Special Funds:				
Grants and loans administration	452			
Appropriation, current.....	BA	27,707	28,500	14,522
			^H — 120	
Outlays	O	27,337	28,020	16,534
			^H — 120	
Total Grants and loans administration.....	BA	27,707	28,380	14,522
	O	27,337	27,900	16,534

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code	1984 actual	1985 estimate	1986 estimate
Department of the Treasury—Con.			
Financial Management Service—Con.			
Disaster loan fund 453			
Appropriation, current..... BA			✓ 36,300
Outlays..... 0			✓ 482,000
Lease guarantees revolving fund 376			
Outlays..... 0			✓ 1,550
Surety bond guarantees revolving fund 376			
Appropriation, current..... BA			✓ 13,572
Outlays..... 0			✓ 18,000
Pollution control equipment contract guarantee revolving fund 376			
Outlays..... 0			✓ 11,000
Intragovernmental Funds:			
Fishermen's protective fund 376			
Outlays..... 0	566		
<i>Trust funds</i>			
Miscellaneous trust funds:			
(Other veterans benefits and services) 705			
(Appropriation, permanent, indefinite)..... BA	7	7	7
(Outlays)..... 0		7	
(Other general government) 806			
(Appropriation, permanent, indefinite)..... BA	220	18	18
(Outlays)..... 0	67	215	18
Total Miscellaneous trust funds..... BA	227	25	25
0	67	222	18
Total Federal funds Financial Management Service..... BA			
0	1,019,462	953,742	3,289,670
	1,020,397	1,109,376	4,306,813
Total Trust funds Financial Management Service..... BA			
0	227	25	25
	67	222	18
Federal Financing Bank Activities			
Funds Appropriated to the President			
<i>Federal funds</i>			
General and Special Funds:			
Foreign military sales credit, FFB (loan guarantee originations) 152			
Authority to borrow, permanent, indefinite..... BA	✓ 3,502,858	✓ 3,146,960	✓ 1,311,234
Outlays..... 0	✓ 2,817,589	✓ 2,340,260	✓ 282,034
Public Enterprise Funds:			
Overseas Private Investment Corporation, FFB (loan asset sales) 151			
Outlays..... 0	✓ — 5,333	✓ — 5,092	✓ — 5,136
Total Federal funds Funds Appropriated to the President..... BA			
0	3,502,858	3,146,960	1,311,234
	2,812,256	2,335,168	276,898

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code	1984 actual	1985 estimate	1986 estimate
Department of the Treasury—Con.			
Federal Financing Bank Activities—Con.			
Department of Agriculture			
<i>Federal funds</i>			
Public Enterprise Funds:			
REA, FFB (loan asset sales) 271			
Authority to borrow, permanent, indefinite..... BA			^J — 7,287
	¥ 69,200	¥ 447,006	¥ 260,358
Outlays..... O			^J — 7,287
	¥ 69,200	¥ 447,006	¥ 260,358
Total REA, FFB (loan asset sales)..... BA	69,200	447,006	253,071
	O 69,200	447,006	253,071
REA, FFB (loan guarantee originations) 271			
Authority to borrow, permanent, indefinite..... BA	¥ 2,395,039	¥ 2,885,000	¥ 2,432,000
Outlays..... O	¥ 1,648,189	¥ 2,685,000	¥ 2,222,000
Agricultural credit insurance fund, FFB (loan asset sales) 351			
Authority to borrow, permanent, indefinite..... BA			^J — 760,000
	¥ 6,805,000	¥ 5,332,000	¥ 926,000
Outlays..... O			^J — 760,000
	¥ 1,410,000	¥ 1,175,000	¥ — 324,000
Total Agricultural credit insurance fund, FFB (loan asset sales)..... BA	6,805,000	5,332,000	166,000
	O 1,410,000	1,175,000	— 1,084,000
Rural housing insurance fund, FFB (loan asset sales) 371			
Authority to borrow, permanent, indefinite..... BA	¥ 5,020,000	¥ 4,445,000	¥ 26,000
Outlays..... O	¥ 1,090,000	¥ 2,335,000	¥ — 180,000
Rural development insurance fund, FFB (loan asset sales) 452			
Authority to borrow, permanent, indefinite..... BA	¥ 1,300,000	¥ 1,183,814	¥ 360,282
Outlays..... O	¥ 320,000	¥ 588,814	¥ 360,282
Total Federal funds Department of Agriculture BA	15,589,239	14,292,820	3,237,353
	O 4,537,389	7,230,820	1,571,353
Department of Defense—Military			
<i>Federal funds</i>			
Public Enterprise Funds:			
DOD, Defense production guarantees, FFB (loan guarantee originations) 051			
Authority to borrow, permanent, indefinite..... BA	¥ 2,032	¥ 5,000	¥ 5,000
Outlays..... O	¥ 2,032	¥ 5,000	¥ 5,000
Department of Energy			
<i>Federal funds</i>			
General and Special Funds:			
Geothermal resources development fund, FFB (loan guarantee originations) 271			
Authority to borrow, permanent, indefinite..... BA	¥ 6,234	¥ 79,108	¥ 14,258
Outlays..... O	¥ — 38,766	¥ 79,108	¥ 13,908

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Other Independent Agencies—Con.				
Committee for Purchase from the Blind and other Severely Handicapped				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	505			
Appropriation, current.....	BA	687	710	730
Outlays.....	0	638	709	710
Commodity Futures Trading Commission				
<i>Federal funds</i>				
General and Special Funds:				
Commodity Futures Trading Commission	376			
Appropriation, current.....	BA	26,739	27,292 " 272	27,222
Outlays.....	0	25,015	27,151	26,814
Total Commodity Futures Trading Commission.....	BA	26,739	27,564	27,222
	0	25,015	27,151	26,814
Community Services Administration				
<i>Federal funds</i>				
General and Special Funds:				
Community services program	506			
Outlays.....	0	- 11,620	4,315	
Consumer Product Safety Commission				
<i>Federal funds</i>				
General and Special Funds:				
Product safety	554			
Appropriation, current.....	BA	35,250	36,000	33,700
Outlays.....	0	33,630	36,899	33,815
Corporation for Public Broadcasting				
<i>Federal funds</i>				
General and Special Funds:				
Public broadcasting fund	503			
Appropriation, permanent.....	BA	137,500	150,500	159,500
Outlays.....	0	137,500	150,500	159,500
District of Columbia				
<i>Federal funds</i>				
General and Special Funds:				
Federal payment to the District of Columbia	852			
Appropriation, current.....	BA	485,812	533,343	532,170
Outlays.....	0	485,812	533,343	532,170
Loans to the District of Columbia for capital projects	852			
Appropriation, current.....	BA	115,000		
Outlays.....	0	115,000		

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Other Independent Agencies—Con.				
District of Columbia—Con.				
<i>Summary</i>				
Federal funds:				
(As shown in detail above).....	BA	600,812	533,343	532,170
	0	600,812	533,343	532,170
Deductions for offsetting receipts:				
Proprietary receipts from the public	852 BA			
	0	— 31,144	— 34,000	— 34,000
Total District of Columbia.....	BA	569,668	499,343	498,170
	0	569,668	499,343	498,170
Equal Employment Opportunity Commission				
<i>Federal funds</i>				
General and Special Funds:				
Salaries and expenses	751			
Appropriation, current.....	BA	154,039	160,755	158,825
			^D 2,900	
Outlays.....	0	152,007	165,118	159,242
Total Salaries and expenses.....	BA	154,039	163,655	158,825
	0	152,007	165,118	159,242
Export-Import Bank of the United States				
<i>Federal funds</i>				
Public Enterprise Funds:				
Export-Import Bank of the United States	155			
Authority to borrow, current, indefinite.....	BA	829,209	3,939,674	
Outlays.....	0	1,067,598	1,358,800	607,895
Limitation on administrative expenses.....		(16,899)	(18,900)	(18,000)
Limitation on direct loan obligations.....		(3,865,000)	(3,865,000)	
Interest rate subsidy program	155			
Outlays.....	0			^J — 4,740
Total Federal funds Export-Import Bank of the United States.....	BA	829,209	3,939,674	
	0	1,067,598	1,358,800	603,155
Farm Credit Administration				
<i>Federal funds</i>				
Public Enterprise Funds:				
Revolving fund for administrative expenses	351			
Outlays.....	0	— 2,135	28	
Limitation on administrative expenses.....		(20,551)	(22,092)	(21,175)

See footnotes at end of table

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1984 actual	1985 estimate	1986 estimate
Budget Totals				
Federal funds:				
(As shown in detail above).....	BA	757,016,753	825,954,028	803,972,748
	O	692,562,822	772,674,277	782,524,453
Deductions for offsetting receipts:				
(As shown in detail above):				
Intrafund transactions:				
Under current law.....	BA			
	O	-5,252,574	-4,714,704	-4,761,394
	BA			J -384,000
	O			
From entities that are off-budget under current law	BA			
	O	-15,378,139	-17,911,738	-19,339,049
Proprietary receipts from the public.....	BA			
	O	-12,393,744	-13,113,601	-11,860,394
	BA		J -2,541	J -1,778,200
	O			
(Undistributed by agency):				
Intrafund transactions:				
Employer share, employee retirement (imputed) 951	BA			
	O	-16,503,000		
Proprietary receipts from the public:				
Other interest 908	BA			
	O	-17,808		-953,000
Rents and royalties on the Outer Continental Shelf 953	BA			
	O	-6,693,547	-5,302,000	-7,317,000
	BA			
	O			
Sale of Conrail 954	BA			J -1,200,000
	O			
Total deductions.....	BA			
	O	-56,238,812	-41,044,584	-47,593,037
Federal fund totals.....	BA	700,777,941	784,909,444	756,379,711
	O	636,324,010	731,629,693	734,931,416
Trust funds:				
(As shown in detail above).....	BA	360,738,656	422,121,961	448,621,847
	O	327,223,321	369,617,104	383,812,915
Deductions for offsetting receipts:				
(As shown in detail above):				
Intrafund transactions				
	BA			
	O	-4,382,189	-4,148,700	-3,505,700
	BA			J -70,000
	O			
Proprietary receipts from the public.....	BA			
	O	-17,643,543	-19,063,376	-19,739,576

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code	1984 actual	1985 estimate	1986 estimate
Budget Totals—Con.			
	BA		
	0		' — 596,990
Total deductions.....	BA		
	0	— 22,025,732	— 23,212,076
			— 23,912,266
Trust fund totals.....	BA		
	0	338,712,924	398,909,885
		305,197,589	346,405,028
			359,900,649
Interfund transactions (—):			
Interest received by trust funds..... 902	BA		
	0	— 20,353,889	— 25,552,070
			— 29,735,772
	BA		
	0		' — 2,000
			' 587,162
Employer share, employee retirement:			
Under current law..... 951	BA		
	0	— 6,763,698	— 24,493,641
			— 26,084,911
From entities that are off-budget under current			
law..... 951	BA		
	0	— 1,996,759	— 2,500,641
			— 2,609,935
	BA		
	0		' — 266,434
Applied by agency above.....	BA		
	0	— 60,625,921	— 66,401,354
			— 62,996,832
Total interfund transactions.....	BA		
	0	— 89,740,267	— 118,949,706
			— 121,106,722
Budget totalsΔ	BA		
	0	949,750,598	1,064,869,623
		851,781,332	959,085,015
			1,059,982,570
			973,725,343

See footnotes at end of table.

BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code	1984 actual	1985 estimate	1986 estimate
Budget Totals—Con.			
ΔBudget totals are distributed as follows:			
	1985		1986
	BA	Outlays	BA Outlays
Federal funds:			
Enacted, pending and initial requests:			
Appropriations	795,263,523	756,115,020	805,782,468 787,278,262
Proposed to be included on budget (Y) ..	22,363,336	12,458,920	7,952,954 2,056,154
Legislative action required (L)		107,200	4,023,107 3,783,162
Proposed in this budget:			
Supplemental requests:			
Programs:			
Under existing legislation (A)	5,807,292	1,716,569	3,674,623
Add. authorizing leg. req. (B)	33,400	30,000	3,400
Pay:			
Wage-board pay raises (C)	212,295	209,493	3,883
Civilian pay raises (D)	805,599	811,577	21,396
Military pay raises (E)	1,438,207	1,415,514	24,452
Rescission proposal (N)	—1,706,967	—854,442	—404,620
To be proposed separately:			
Under existing legislation (F)	75,000	45,450	22,050
Under proposed legislation (J)	156,343	—297,624	—5,763,567 —6,770,985
Allowances	1,506,000	1,131,000	24,000 399,000
Deductions for offsetting receipts	—41,042,043	—41,042,043	—44,230,837 —44,230,837
Under proposed legislation (J)	—2,541	—2,541	—3,362,200 —3,362,200
Total Federal funds	784,909,444	731,629,693	756,379,711 734,931,416
Trust funds:			
Enacted, pending and initial requests:			
Appropriations	422,030,903	369,568,885	448,997,273 389,868,827
Legislative action required (L)			20,000 20,000
Proposed in this budget:			
Supplemental requests:			
Programs:			
Under existing legislation (A)	47,666	9,632	3,500,000 —29,885
Pay:			
Wage-board pay raises (C)	184	174	10
Civilian pay raises (D)	316	309	7
Rescission proposal (N)	—10,408	—3,196	—4,262
To be proposed separately:			
Under proposed legislation (J)	53,300	41,300	—3,895,426 —6,041,782
Deductions for offsetting receipts	—23,212,076	—23,212,076	—23,245,276 —23,245,276
Under proposed legislation (J)			—666,990 —666,990
Total Trust funds	398,909,885	346,405,028	424,709,581 359,900,649
Interfund transactions (—)	—118,949,706	—118,949,706	—121,106,722 —121,106,722
Budget totals	1,064,869,623	959,085,015	1,059,982,570 973,725,343

* Supplemental under existing legislation.

B Supplemental. Additional authorizing legislation required.

C Supplemental for wage-board pay raises.

D Supplemental for civilian pay raises.

E Supplemental for military pay raises.

F Proposed transfer to other accounts for pay raises (—).

G Proposed transfer from other accounts for pay raises.

N Rescission proposal.

F Proposed for later transmittal under existing legislation.

J Proposed for later transmittal under proposed legislation.

A Additional authorizing legislation required.

L Legislative action required.

Y Off-budget under current law; proposed to be included on budget.

EXPLANATION OF THE SUMMARY TABLES

Overview.—The tables in this part of the budget are organized as follows:

- Tables 1 through 12 are short summary tables of the budget.
- Tables 13 through 15 provide greater detail in support of financial data in the first three tables.
- Table 16 presents 5-year projections of the estimated costs of proposed legislation pursuant to 31 U.S.C. 1105(a)(12).
- Table 17 provides detailed information on direct loan and guaranteed loan activity within the Federal credit control system.
- Tables 18 through 24 are historical in nature, giving data, for earlier years, comparable to those data in the preceding tables, and also giving information on the national income accounts, the gross national product over a longer period, and the budget in constant (fiscal year 1972) prices.

Periods covered.—Due to the change in fiscal year required by the Congressional Budget Act, the following periods are covered by the various columns or stub entries:

- July 1 through June 30 for the 1976 and prior fiscal periods.
- July 1 through September 30, 1976, for the transition quarter (TQ).
- October 1 through September 30 for the 1977 and subsequent fiscal periods.

Presentation of data.—Beginning with fiscal year 1985, the budget reflects establishment of a military retirement trust fund. Charges for accruals are reflected in Department of Defense—Military and in subfunction 051 (Department of Defense—Military), and the accrual offset in subfunction 951 (employer share, employee retirement). Cash payments to retired military personnel are included in Department of Defense—Civil presentations and in subfunction 602 (Federal employee retirement and disability). Amounts for previous years are shown on a comparable basis.

The 1986 budget proposes abolishment of the off-budget status of off-budget Federal entities. It generally presents data for these accounts on-budget without separate identification. However, tables 1, 12, 20, 22, and 24 include additional entries that show currently on-budget and off-budget amounts separately. Outlays of currently off-budget Federal entities that are being proposed to be included on-budget are shown separately in a table in Part 6 of this volume.

The outlay totals for 1984 are less than Treasury outlay totals by \$15 million primarily due to adjustment in outlays of the Department of Interior payment to Papago trust and cooperative fund.

Allowances.—In Part 9 summary and other tables, allowances for pay raises in 1985 and 1987-1990 are shown for military personnel of the Department of Defense and in 1987-1990 for civilian employees of the Department of Defense. In addition, allowances for possible legislative initiatives now under consideration are shown for 1986-1990 for the Department. These allowances are included in the totals for the Department of Defense—Military and in subfunction 051. Allowances for pay raises for non-defense civilian employees in 1987-1990, for military pay raises for the Coast Guard in 1985-1990 and for contingencies for other requirements in 1985, are shown at the end of the tables.

In addition, an allowance equal to a 10 percent reduction from 1986 current services levels for the Legislative Branch is included (as an Executive Branch recommendation) in the totals for that branch for 1986-1990.

Undistributed offsetting receipts.—Offsetting receipts are generally deducted from budget authority and outlays at the subfunction and agency levels. However, in some cases, these amounts are undistributed, i.e., deducted from budget totals for the Government as a whole rather than from a single agency or subfunction to avoid distortion of agency or subfunction totals. These payments are for the employer share, employee retirement, rents and royalties on the Outer Continental Shelf (OCS), and the proposed sale of Conrail in 1986. There are also offsetting receipts that are deducted at the subfunctional level but presented as undistributed offsetting receipts in tables showing budget totals by agency. These are interest received by trust funds (subfunction 902) and interest received from OCS escrow account (subfunction 908). Accordingly, the undistributed offsetting receipt totals included in tables by agency are larger by the amount of the interest received by trust funds and the interest received from OCS escrow account.

Description of the tables.—Each table in this part is described below and references to related data found elsewhere in the budget documents are provided. Information on the concepts used in the tables is included in Part 7 of this volume.

- *Table 1, Budget summary*, provides a general overview of budget authority, receipts, outlays, and deficits for 1984-1988.

For budget authority, data are provided on amounts available through current action by Congress, and those amounts available without current action. Budget authority for accounts that are off-budget under current law and proposed to be included on-budget are reflected in both categories although most are available without current action by Congress. The

amounts available through current action by Congress are further distributed by amounts enacted and pending, proposed in this budget, and to be requested separately. The first table in Part 6 of this volume provides a further distribution of the amounts proposed in this budget into appropriations, supplemental requests, and rescission proposals.

A summary of the Federal credit budget and information on the Federal debt are also provided. Detailed data related to these totals are contained in the following Part 9 tables and throughout the budget.

- *Table 2, Budget receipts by source and budget outlays by agency, 1984-1990*, displays data on the composition of budget receipts by source, the distribution of outlays by the Legislative and Judicial Branches and major agency in the Executive Branch, and the deficit for these years.
- *Table 3, Budget outlays by function, 1984-1990*, distributes budget outlays by function. Supporting detail by function and agency for 1984-1986 is found in table 15 and historical data by subfunction from 1976 in table 20 of this part. Part 5 of this volume provides detail at the program level for 1984-1988.
- *Table 4, Differences between current services and the budget: outlays by function, 1985-1990*, provides a bridge between current services estimates of outlays, and estimated budget outlays. Differences are shown as changes in outlays by function. For further information on current services, see Special Analysis A, "Current Services Estimates" in the Special Analyses volume.
- *Table 5, Budget authority by agency, 1984-1990*, presents the distribution of budget authority by Legislative and Judicial Branches and major agency in the Executive Branch. For account level detail, see Part 8 of this volume.
- *Table 6, Budget authority by function, 1984-1990*, distributes budget authority by function. For detail at the program level, see Part 5 of this volume. For the subfunctional classification of budget authority in each account, see Part 8 of this volume.
- *Table 7, Differences between current services and the budget: budget authority by function, 1985-1990*, provides a bridge between current services estimates of budget authority and budget authority proposed in this budget by function. For further information, see Special Analysis A, "Current Services Estimates" of the Special Analyses volume.
- *Table 8, Budget authority and outlays available through current action by Congress*, presents budget authority, including supplemental requests, for 1984-1986, that requires Congressional action during or immediately preceding the fiscal year

in which it becomes available. Outlays resulting from current action are also displayed. An addendum ties budget authority and outlays available through current action to budget totals. In most cases, amounts for accounts that are off-budget under current law become available as the result of previously enacted legislation (substantive legislation or prior appropriation acts) and do not require further action by Congress. Therefore, they are included in the portion available without current action by the Congress. The remaining off-budget amounts that are proposed to be included on-budget are included in the portion available through current action by Congress.

See table 1 for a distribution of budget authority available through current action into categories that reflect amounts that are enacted and pending, proposed in this budget, or to be requested separately. See table 9 for a distribution of the total amount enacted and pending, and proposed in this budget into categories that reflect amounts that are appropriations, contract authority, authority to borrow, and reappropriations and reauthorizations under the heading "Enacted, pending, or recommended herein."

- *Table 9, Relation of budget authority to outlays*, provides a bridge from budget authority to net obligations incurred to outlays for 1984-1986. References to other Part 9 tables that provide detail on data shown in this table are included. A chart on the relation of budget authority to outlays is shown in Part 6 of this volume.
- *Table 10, Balances of budget authority*, presents data on obligated and unobligated balances of budget authority for 1984-1986. Detailed information is available in a separate OMB report, "Balances of Budget Authority", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.
- *Table 11, Full-time equivalent of Federal civilian employment*, provides full-time equivalent employment estimates for the major departments and agencies of the Executive Branch for 1983-1987. For additional information, see Special Analysis I, "Civilian Employment in the Executive Branch" in the Special Analyses volume.
- *Table 12, Budget financing and the debt*, shows the means of financing the Federal deficit, the gross debt held by Government agencies and the public, and the amount of debt subject to statutory limitation. Further data related to the totals are contained in Special Analysis E, "Borrowing and Debt" and in Part 6 of this volume.

- *Table 13, Budget receipts by source*, provides detailed data for 1984-1986 on the sources of receipts that are classified as budget receipts (also called governmental receipts). These receipts are offset against outlays to calculate the Federal deficit. Additional information on budget receipts is included in table 19 for 1976-1986 and in Part 4 of this volume.
- *Table 14, Offsetting receipts by type*, presents, by type, receipts for 1984-1986 that are deducted before arriving at total budget outlays. Offsetting receipts data are also included in Part 8 of this volume.
- *Table 15, Budget outlays by function and agency*, presents detailed data on budget outlays displayed first by function and subfunction, and then by agency for 1984-1986. For account level detail by agency and subfunction, see Part 8 of this volume.
- *Table 16, Legislative proposals for major new and expanded programs, projection of costs*, provides a description of major legislative proposals and a projection of costs for 1985-1990.
- *Table 17, Credit budget: new direct loan obligations and guaranteed loan commitments by agency*, displays new obligations for direct loans and new commitments for guaranteed loans by agency for 1984-1986. Direct loans that are guaranteed by Federal agencies and disbursed by the Federal Financing Bank are attributed to the guaranteeing agencies and identified as FFB direct loans. Additional information can be found in Part 5 of this volume and Special Analysis F, "Federal Credit Programs" of the Special Analyses volume.
- *Table 18, Controllability of budget outlays, 1976-1986*, displays data classified as relatively uncontrollable and relatively controllable outlays.
- *Table 19, Budget receipts by source, 1976-1986*, includes historical data on budget receipts by source.
- *Table 20, Budget outlays by function and subfunction, 1976-1986*, includes historical data on outlays by function and subfunction. Data reflect establishment of a military retirement trust fund in 1985. Amounts for previous years are shown on a comparable basis. For 1976-1984, amounts have been adjusted to reflect imputed charges for accruals in subfunction 051 and the accrual offset in subfunction 951. Cash payments to retired military personnel for 1976-1986 are included in subfunction 602.
- *Table 21, Federal transactions in the national income accounts, 1975-1986*, includes historical data on a national income basis for receipts and expenditures. For a detailed analysis, see Special Analysis B, "Federal Transactions in the National Income Accounts" of the Special Analyses volume.

- *Table 22, Federal finances and the gross national product, 1967-1988*, displays receipts, outlays, deficits and Federal debt and shows these amounts as a percentage of the gross national product.
- *Table 23, Composition of budget outlays in current and constant (fiscal year 1972) prices, 1966-1988*, includes historical data on the composition of outlays for the defense and nondefense portions of the budget in current and constant dollars.
- *Table 24, Budget receipts and outlays, 1789-1990*, includes historical data and out-year estimates of total budget receipts, outlays, and surplus or deficit. As discussed previously, it includes additional entries that show currently on-budget and off-budget amounts separately.

Table 1. BUDGET SUMMARY

(In millions of dollars)

Description	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate	
THE BUDGET						
Budget authority (largely appropriations):						
Available through current action by Congress:						
Enacted and pending ¹	544,936	548,371				
Proposed in this budget.....		6,628	554,213	609,350	670,509	
To be requested separately.....		1,791	—9,635	—3,421	—3,751	
Available without current action by Congress.....	572,820	691,288	708,017	734,226	791,505	
Deductions for offsetting receipts ²	—168,005	—183,207	—192,612	—197,144	—205,271	
Total budget authority.....	949,751	1,064,870	1,059,983	1,143,011	1,252,992	
(On-budget under current law).....	(927,397)	(1,042,666)	(1,052,351)	(1,138,931)	(1,249,364)	
(Off-budget under current law) ³	(22,354)	(22,204)	(7,632)	(4,080)	(3,628)	
Budget receipts, outlays, and surplus or deficit:						
Receipts:						
Budget receipts.....	666,457	736,859	793,729	861,676	950,376	
Outlays:						
Budget outlays.....	851,781	959,085	973,725	1,026,625	1,094,761	
(On-budget under current law)	(841,815)	(946,626)	(972,224)	(1,029,865)	(1,099,095)	
(Off-budget under current law) ³	(9,966)	(12,459)	(1,501)	(—3,240)	(—4,334)	
Surplus or deficit (—):						
Budget deficit (—).....	—185,324	—222,226	—179,996	—164,949	—144,385	
(On-budget under current law)	(—175,358)	(—209,767)	(—178,495)	(—168,189)	(—148,719)	
(Off-budget under current law) ³	(—9,966)	(—12,459)	(—1,501)	(3,240)	(4,334)	
THE CREDIT BUDGET						
New obligations and commitments:						
New direct loan obligations.....	39,093	51,904	24,240	22,745	19,856	
New guaranteed loan commitments ⁴	70,798	74,018	77,208	78,538	80,908	
Total.....	109,892	125,923	101,448	101,283	100,763	
Change in outstandings:						
Direct loans.....	6,323	15,234	—276	—3,730	—5,470	
(On-budget under current law)	(—1,334)	(4,344)	(—584)	(—692)	(—1,616)	
(Off-budget under current law) ³	(7,658)	(10,890)	(308)	(—3,038)	(—3,854)	
Guaranteed loans ⁴	20,110	20,224	31,902	32,583	32,114	
Total.....	26,433	35,458	31,626	28,853	26,643	
FEDERAL DEBT						
	1983 actual					
Debt outstanding, end of year:						
Gross Federal debt.....	1,381,886	1,576,748	1,841,077	2,074,231	2,308,278	2,546,388
Held by:						
Government agencies.....	240,114	264,159	327,110	387,642	457,468	552,006
The public.....	1,141,771	1,312,589	1,513,967	1,686,589	1,850,810	1,994,382

Table 1. BUDGET SUMMARY—Continued

FEDERAL DEBT—Continued

(In millions of dollars)

Description	1983 actual	1984 actual	1985 estimate	1986 estimate	1987 estimate	1988 estimate
Federal Reserve System.....	155,527	155,122				
Others	986,244	1,157,467				
MEMORANDUM ⁵						
Debt subject to statutory limitation	1,377,953	1,572,975	1,837,414	2,070,714	2,305,006	2,543,946
Debt not subject to statutory limitation	3,933	3,973	3,663	3,517	3,272	2,442

¹ Includes an imputed charge (\$16,503 million) for accruals for military retirement contributions in 1984 to adjust data for comparability with the military retirement presentation beginning in 1985. Offsetting receipts equal to the imputed charge for accruals are included as deductions for offsetting receipts in 1984.

² These consist of intragovernmental transactions and proprietary receipts from the public.

³ Proposed to be included on-budget.

⁴ To avoid double counting, excludes guarantees (or commitments) of loans previously guaranteed or guarantees (or commitments) by one Government account of direct loans made by another Government account.

⁵ For additional information on the Federal debt subject to statutory limitation, see table 12 of this part, Part 6 of this volume, and Special Analysis E, "Borrowing and Debt."

Table 2. BUDGET RECEIPTS BY SOURCE AND BUDGET OUTLAYS BY AGENCY, 1984-90

(In billions of dollars)

	1984 actual	Estimate					
		1985	1986	1987	1988	1989	1990
Budget receipts by source:							
Individual income taxes	296.2	329.7	358.9	392.5	433.6	475.5	512.6
Corporation income taxes	56.9	66.4	74.1	87.5	99.0	106.7	112.5
Social insurance taxes and contributions...	241.7	268.4	289.4	309.5	346.5	376.5	409.1
Excise taxes	37.4	37.0	35.0	35.0	33.6	33.1	33.5
Estate and gift taxes.....	6.0	5.6	5.3	5.0	4.7	4.7	5.1
Customs duties	11.4	11.8	12.3	12.8	13.4	14.0	14.7
Miscellaneous receipts	17.0	18.0	18.6	19.5	19.6	19.5	20.1
Total budget receipts	666.5	736.9	793.7	861.7	950.4	1,029.9	1,107.7
Budget outlays by agency:							
Legislative branch ¹	1.6	1.8	1.8	1.7	1.7	1.7	1.8
The Judiciary .....	.9	1.0	1.1	1.2	1.2	1.3	1.3
Executive Office of the President.....	.1	.1	.1	.1	.1	.1	.1
Funds appropriated to the President.....	8.5	11.1	12.1	12.4	12.0	11.6	10.8
Agriculture.....	37.5	45.1	38.5	37.0	36.3	32.8	32.8
Commerce ²	1.9	2.1	2.0	1.9	1.9	1.9	2.4
Defense—Military ³	220.8	246.3	277.5	312.3	348.6	382.3	418.3
Defense—Civil.....	19.5	19.0	20.3	21.1	22.5	23.7	24.9
Education.....	15.5	17.4	16.9	16.0	15.7	15.8	16.1
Energy	10.6	11.0	9.3	10.2	11.0	11.5	12.0
Health and Human Services.....	292.3	318.5	330.3	350.2	374.6	398.6	423.7
Housing and Urban Development	16.5	28.9	15.4	14.3	13.8	13.6	14.1
Interior	4.9	5.0	4.4	4.2	4.2	4.2	4.2
Justice	3.2	3.9	4.0	4.0	3.9	4.0	4.0
Labor	24.5	23.5	22.8	22.6	22.8	23.1	23.4
State	2.4	2.7	3.3	3.3	3.4	3.3	3.4
Transportation.....	23.9	26.2	25.1	23.9	23.4	23.6	23.6
Treasury ²	148.3	176.7	181.0	190.6	200.5	193.6	187.8
Environmental Protection Agency.....	4.1	4.4	4.6	4.6	4.6	4.4	4.0
General Services Administration.....	.2	.4	.1	.2	*	.2	.3
National Aeronautics and Space Adminis- tration.....	7.0	7.3	7.8	7.8	7.9	8.6	9.3
Office of Personnel Management	22.6	23.6	24.8	26.0	27.3	28.5	29.8
Small Business Administration ² .....	.3	.7	.1				
Veterans Administration	25.6	26.8	26.7	26.8	27.4	27.7	28.1
Other agencies ⁴	11.3	12.3	10.8	8.0	6.3	5.0	4.0
Allowances ⁵		1.1	.4	.7	1.8	2.9	4.0
Undistributed offsetting receipts	—52.3	—57.9	—67.6	—74.5	—78.3	—86.5	—94.0
Total budget outlays	851.8	959.1	973.7	1,026.6	1,094.8	1,137.4	1,190.0
Budget surplus or deficit(—)	—185.3	—222.2	—180.0	—164.9	—144.4	—107.5	—82.4

* \$50 million or less.

¹ Includes allowance for 10 percent reduction beginning in 1986 (Executive recommendation).² Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.³ Includes allowances for civilian and military pay raises for Department of Defense.⁴ For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.⁵ Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Note.—Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.

Table 3. BUDGET OUTLAYS BY FUNCTION, 1984-90

(In billions of dollars)

	1984 actual	Estimate					
		1985	1986	1987	1988	1989	1990
050 National defense.....	227.4	253.8	285.7	321.2	358.4	392.3	428.6
Department of Defense—							
Military ¹	(220.8)	(246.3)	(277.5)	(312.3)	(348.6)	(382.3)	(418.3)
Other national defense.....	(6.6)	(7.5)	(8.2)	(8.9)	(9.8)	(10.0)	(10.3)
150 International affairs.....	15.9	19.6	18.3	16.9	15.8	14.8	14.5
250 General science, space and technology.....	8.3	8.7	9.3	9.4	9.6	10.3	11.1
270 Energy.....	7.1	8.2	4.7	4.1	3.1	2.7	2.3
300 Natural resources and environment.....	12.6	13.0	11.9	10.9	10.8	10.6	10.0
350 Agriculture.....	13.6	20.0	12.6	9.0	8.3	4.6	3.8
370 Commerce and housing credit.....	6.9	6.0	2.2	-1.2	-1.8	-3.3	-3.7
400 Transportation.....	23.7	27.0	25.9	24.6	24.2	24.4	24.4
450 Community and regional development.....	7.7	8.6	7.3	6.2	5.7	5.4	5.5
500 Education, training, employment, and social services.....	27.6	30.4	29.3	27.8	27.6	27.8	28.2
550 Health.....	30.4	33.9	34.9	35.7	37.3	39.0	40.8
570 Social security and medicare.....	235.8	257.4	269.4	288.1	309.4	331.8	355.4
Social security.....	(178.2)	(191.1)	(202.2)	(215.9)	(230.1)	(244.7)	(259.9)
Medicare.....	(57.5)	(66.3)	(67.2)	(72.2)	(79.2)	(87.1)	(95.5)
600 Income security.....	112.7	127.2	115.8	118.9	123.4	127.2	130.6
700 Veterans benefits and services.....	25.6	26.9	26.8	26.9	27.7	27.9	28.2
750 Administration of justice.....	5.7	6.7	6.6	6.6	6.7	6.8	6.9
800 General government.....	5.1	5.8	4.8	4.9	5.0	5.0	4.9
850 General purpose fiscal assistance.....	6.8	6.6	2.8	1.7	1.7	1.8	1.9
900 Net interest.....	111.1	130.4	142.5	152.9	159.2	147.6	137.7
920 Allowances.....		1.1	.4	.7	1.8	2.9	4.0
Civilian agency pay raises ²		(*)	(*)	(.7)	(1.8)	(2.9)	(4.0)
Contingencies for other requirements.....		(1.1)	(.4)				
950 Undistributed offsetting receipts.....	-32.0	-32.3	-37.5	-38.7	-39.0	-42.1	-45.0
Employer-share, employee retirement.....	(-25.3)	(-27.0)	(-29.0)	(-31.4)	(-34.2)	(-36.8)	(-39.5)
Rents and royalties on the Outer Continental Shelf.....	(-6.7)	(-5.3)	(-7.3)	(-7.3)	(-4.8)	(-5.4)	(-5.6)
Sale of Conrail.....			(-1.2)				
Total budget outlays...	851.8	959.1	973.7	1,026.6	1,094.8	1,137.4	1,190.0

^{*}50 million or less.¹ Includes allowances for civilian and military pay raises for Department of Defense—Military.² Includes allowances for military pay raises for the Coast Guard.

Note. Beginning in 1985, the budget reflects the establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.

Table 4. DIFFERENCES BETWEEN CURRENT SERVICES AND THE BUDGET:
OUTLAYS BY FUNCTION, 1985-1990

(In billions of dollars)

	Estimate					
	1985	1986	1987	1988	1989	1990
Current services estimates	960.4	1,024.5	1,109.3	1,200.1	1,262.8	1,332.8
Differences:						
National defense ¹ .....	.6	-8.9	-9.2	-10.1	-11.5	-13.1
International affairs .....	.3	-.7	-2.1	-3.4	-4.4	-5.0
General science, space and technology	—*	*	-.3	-.6	-.3	.1
Energy	-.5	-3.2	-3.8	-4.3	-4.5	-3.8
Natural resources and environment	—*	-1.3	-2.0	-2.1	-2.3	-2.8
Agriculture	—*	-5.5	-10.2	-12.3	-16.3	-16.3
Commerce and housing credit	—*	-3.1	-6.1	-6.8	-7.3	-7.5
Transportation	—*	-2.1	-4.4	-6.0	-6.8	-7.8
Community and regional development	-.1	-.9	-2.0	-2.6	-2.8	-2.7
Education, training, employment and social services	-.2	-2.0	-4.5	-5.3	-5.7	-6.1
Health	—*	-1.7	-3.5	-4.9	-6.5	-8.1
Social security and medicare:						
Social security	—*	-.1	-.2	-.2	-.3	-.4
Medicare	—*	-4.1	-6.3	-8.3	-10.7	-13.5
Total social security and medicare	—*	-4.2	-6.5	-8.5	-11.0	-13.8
Income security:						
General retirement and disability insurance (excluding social security)	-.1	-.3	-.4	-.5	-.6	-.7
Federal employee retirement .....	.1	-1.3	-2.2	-2.8	-3.5	-4.2
Unemployment compensation	—*	—*	—*	*	*	*
Housing assistance	-.9	-1.7	-2.5	-3.0	-2.8	-2.7
Food and nutrition assistance	—*	-.7	-1.0	-1.1	-1.2	-1.3
Other income security	—*	-1.2	-1.2	-1.3	-1.4	-1.4
Total income security	-1.0	-5.0	-7.2	-8.7	-9.4	-10.2
Veterans benefits and services	—*	-1.1	-1.9	-2.4	-2.9	-3.5
Administration of justice	—*	-.3	-.3	-.5	-.4	-.5
General government	—*	-.9	-.8	-1.0	-.9	-1.2
General purpose fiscal assistance	*	-3.8	-5.0	-5.1	-5.1	-5.2
Net interest	-.1	-3.3	-9.3	-15.5	-20.0	-26.5
Allowances ²	*	-1.3	-2.5	-3.7	-4.8	-5.9
Undistributed offsetting receipts	-.1	-1.5	-1.0	-1.6	-2.4	-2.9
Total differences	-1.4	-50.8	-82.7	-105.3	-125.4	-142.7
Total budget outlays	959.1	973.7	1,026.6	1,094.8	1,137.4	1,190.0

*50 million or less.

¹ Includes allowances for civilian and military pay raises for Department of Defense-Military.² Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Table 5. BUDGET AUTHORITY BY AGENCY, 1984-90

(In billions of dollars)

Department or other unit	1984 actual	Estimate					
		1985	1986	1987	1988	1989	1990
Legislative branch ¹	1.8	1.8	1.7	1.7	1.8	1.7	1.8
The Judiciary.....	.9	1.1	1.2	1.2	1.3	1.3	1.4
Executive Office of the President.....	.1	.1	.1	.1	.1	.1	.1
Funds appropriated to the President.....	15.6	14.2	13.4	13.2	12.3	12.0	11.1
Agriculture.....	31.2	42.7	36.9	36.5	36.6	33.5	33.9
Commerce ²	2.0	1.9	1.8	1.8	1.9	1.8	2.6
Defense—Military ³	258.2	284.7	313.7	354.0	401.6	438.8	477.7
Defense—Civil.....	19.2	30.0	32.6	35.9	39.2	42.2	44.9
Education.....	15.4	18.4	15.5	16.1	16.1	16.2	16.5
Energy.....	10.5	11.4	9.7	11.4	12.0	12.3	12.8
Health and Human Services.....	299.4	331.2	348.9	377.4	423.5	461.5	501.8
Housing and Urban Development.....	17.9	31.0	7.0	8.1	11.6	11.8	12.1
Interior.....	4.9	4.8	3.8	4.0	4.1	4.2	4.2
Justice.....	3.5	3.8	3.9	4.1	4.0	4.1	4.2
Labor.....	34.8	27.3	27.3	28.2	28.0	27.4	28.1
State.....	3.0	3.5	3.7	3.5	3.6	3.7	3.8
Transportation.....	28.6	28.5	24.7	24.5	24.1	24.1	24.0
Treasury ²	161.9	185.1	184.3	196.8	206.5	200.2	194.5
Environmental Protection Agency.....	4.1	4.3	4.6	4.3	3.7	3.1	2.5
General Services Administration.....	.3	.2	.2	.3	.3	.3	.3
National Aeronautics and Space Administration.....	7.3	7.5	7.9	7.9	8.2	9.1	9.5
Office of Personnel Management.....	37.7	40.7	42.7	45.1	47.7	50.0	52.1
Small Business Administration ².....	.6	.7	.1				
Veterans Administration.....	26.5	27.2	27.1	27.5	28.1	28.5	28.9
Other agencies ⁴	16.7	19.1	14.8	13.2	13.3	13.0	12.8
Allowances ⁵		1.5	*	.8	1.8	2.9	4.0
Undistributed offsetting receipts:							
Interest received by trust funds.....	-20.4	-25.6	-29.1	-34.2	-39.3	-44.4	-49.0
Interest received from Outer Continental Shelf escrow account.....	— *		-1.0	-1.6			
Employer share, employee retirement.....	-25.3	-27.0	-29.0	-31.4	-34.2	-36.8	-39.5
Rents and royalties on the Outer Continental Shelf.....	-6.7	-5.3	-7.3	-7.3	-4.8	-5.4	-5.6
Sale of Conrail.....			-1.2				
Total undistributed offsetting receipts.....	-52.3	-57.9	-67.6	-74.5	-78.3	-86.5	-94.0
Total budget authority.....	949.8	1,064.9	1,060.0	1,143.0	1,253.0	1,317.5	1,391.8

* \$50 million or less.

¹ Includes allowance for ten percent reduction beginning in 1986 (Executive recommendation).² Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.³ Includes allowances for civilian and military pay raises for Department of Defense.⁴ For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.⁵ Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Note.—Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.

Table 6. BUDGET AUTHORITY BY FUNCTION, 1984-90

(In billions of dollars)

	1984 actual	Estimates					
		1985	1986	1987	1988	1989	1990
050 National defense.....	265.2	292.6	322.2	363.3	411.5	448.9	488.1
Department of Defense—							
Military ¹	(258.2)	(284.7)	(313.7)	(354.0)	(401.6)	(438.8)	(477.7)
Other national defense.....	(7.0)	(7.8)	(8.5)	(9.3)	(9.9)	(10.1)	(10.4)
150 International affairs.....	24.6	26.7	20.6	20.0	19.1	19.0	18.5
250 General science, space, and technology	8.8	9.1	9.5	9.7	10.0	11.0	11.5
270 Energy.....	7.9	8.3	5.1	5.1	4.7	4.4	4.4
300 Natural resources and environment	12.3	12.2	10.9	10.2	9.8	9.3	8.5
350 Agriculture	11.8	22.6	13.0	12.3	11.6	8.0	7.3
370 Commerce and housing credit.....	13.3	12.4	7.8	4.8	6.0	5.6	6.0
400 Transportation	29.3	29.2	25.5	25.3	24.9	24.9	24.8
450 Community and regional development	8.9	8.0	5.1	5.2	5.6	5.7	6.3
500 Education, training, employment, and social services	31.6	31.4	26.9	27.8	28.0	28.3	28.7
550 Health	31.6	33.6	34.7	36.2	37.9	39.7	41.5
570 Social security and medicare.....	241.7	270.9	288.7	314.9	357.8	394.3	433.1
Social security.....	(178.5)	(199.4)	(207.0)	(223.8)	(264.3)	(292.9)	(323.6)
Medicare.....	(63.2)	(71.5)	(81.7)	(91.1)	(93.5)	(101.3)	(109.5)
600 Income security.....	138.8	162.0	144.1	152.1	162.1	167.4	173.2
700 Veterans benefits and services.....	26.5	27.3	27.4	27.8	28.4	28.6	29.0
750 Administration of justice	6.0	6.7	6.5	6.8	6.8	6.9	7.1
800 General government	5.5	5.7	5.0	5.1	5.2	5.3	5.1
850 General purpose fiscal assistance.....	6.8	6.5	1.6	1.7	1.7	1.8	1.9
900 Net interest.....	111.1	130.4	142.5	152.9	159.2	147.6	137.7
920 Allowances		1.5	*	.8	1.8	2.9	4.0
Civilian agency pay raises ²		(*)	(*)	(.8)	(1.8)	(2.9)	(4.0)
Contingencies for other requirements		(1.5)					
950 Undistributed offsetting receipts.....	-32.0	-32.3	-37.5	-38.7	-39.0	-42.1	-45.0
Employer share, employee retirement	(-25.3)	(-27.0)	(-29.0)	(-31.4)	(-34.2)	(-36.8)	(-39.5)
Rents and royalties on the Outer Continental Shelf	(-6.7)	(-5.3)	(-7.3)	(-7.3)	(-4.8)	(-5.4)	(-5.6)
Sale of Conrail.....			(-1.2)				
Total budget authority.....	949.8	1,064.9	1,060.0	1,143.0	1,253.0	1,317.5	1,391.8

* \$50 million or less.

¹ Includes allowances for civilian and military pay raises for Department of Defense—Military.² Includes allowances for military pay raises for the Coast Guard.

Note: Beginning in 1985, the budget reflects the establishment of a military retirement trust fund. Amounts for 1984 are shown on a comparable basis.

Table 7. DIFFERENCES BETWEEN CURRENT SERVICES AND THE BUDGET:
BUDGET AUTHORITY BY FUNCTION, 1985-1990

(In billions of dollars)

	Estimate					
	1985	1986	1987	1988	1989	1990
Current services estimates	1,065.8	1,130.2	1,227.6	1,353.1	1,435.7	1,524.1
Differences:						
National defense ¹ .....	.4	-11.4	-8.7	-10.0	-11.8	-13.4
International affairs .....	.7	-3.9	-4.2	-5.7	-4.9	-5.5
General science, space and technology	-*	-*	-.4	-.5	*	.1
Energy	-.5	-3.4	-3.5	-3.6	-3.8	-2.1
Natural resources and environment	-.1	-2.1	-3.0	-3.6	-4.2	-5.0
Agriculture	*	-5.4	-7.2	-9.4	-16.1	-13.9
Commerce and housing credit	-*	-2.5	-4.7	-4.2	-5.1	-5.6
Transportation	-*	-4.6	-5.9	-7.4	-8.1	-9.0
Community and regional development	-.3	-2.8	-3.0	-3.0	-3.0	-2.9
Education, training, employment and social services	-.5	-5.1	-5.3	-5.8	-6.1	-6.5
Health	-*	-2.3	-3.7	-5.1	-6.5	-8.1
Social security and medicare:						
Social security .....		.2	-.4	-.2	.4	-.5
Medicare	*	-.9	-1.3	-2.3	-3.4	-5.3
Total social security and medicare	*	-.7	-1.7	-2.4	-3.0	-5.8
Income security:						
General retirement and disability insurance (excluding social security) .....		.1	-.1	-.2	-.2	-.3
Federal employee retirement .....	.2	-.1	-.2	-*	.4	-.6
Unemployment compensation	*	.1	.2	.2	.3	.2
Housing assistance	-.6	-10.0	-9.4	-6.8	-6.8	-6.8
Food and nutrition assistance	-*	-.7	-1.0	-1.1	-1.2	-1.3
Other income security	-*	-1.2	-1.2	-1.3	-1.4	-1.4
Total income security	-.4	-11.8	-11.8	-9.2	-8.9	-9.0
Veterans benefits and services	-*	-1.5	-2.5	-2.9	-3.0	-3.4
Administration of justice	*	-.4	-.4	-.5	-.5	-.5
General government	*	-.9	-.9	-.9	-.9	-1.3
General purpose fiscal assistance	-*	-5.0	-5.0	-5.1	-5.1	-5.2
Net interest	-.1	-3.3	-9.3	-15.5	-20.0	-26.5
Allowances ²	*	-1.4	-2.6	-3.7	-4.9	-6.0
Undistributed offsetting receipts	-.1	-1.5	-1.0	-1.6	-2.4	-2.9
Total differences	-.9	-70.2	-84.6	-100.1	-118.2	-132.3
Total budget authority	1,064.9	1,060.0	1,143.0	1,253.0	1,317.5	1,391.8

*50 million or less.

¹ Includes allowances for civilian and military pay raises for Department of Defense—Military.

² Includes allowances for civilian agency pay raises, military pay raises for the Coast Guard, and contingencies.

Table 8. BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1984 actual	1985 estimate	1986 estimate	1984 actual	1985 estimate	1986 estimate
Legislative branch	1,629	1,627	1,597	1,324	1,478	1,421
The Judiciary	819	1,038	1,139	788	919	1,008
Executive Office of the President	109	115	111	81	97	92
Funds appropriated to the President	17,295	14,329	13,557	3,449	6,070	6,025
Agriculture	25,487	26,327	24,391	22,837	24,396	22,965
Commerce ¹	2,024	1,887	1,775	1,171	1,251	1,204
Defense—Military ²	258,551	285,366	314,359	146,071	159,072	172,763
(Imputed accruals for military retire- ment contributions) ³	(16,503)					
Defense—Civil	19,237	2,928	2,893	18,186	2,203	1,796
Education	15,439	18,465	15,538	5,337	6,704	5,386
Energy	14,848	15,750	12,184	6,969	8,561	6,956
Health and Human Services	70,610	74,408	71,271	62,698	63,908	60,491
Housing and Urban Development	16,673	16,286	5,073	885	612	932
Interior	5,168	5,263	4,346	3,472	3,634	3,235
Justice	3,461	3,837	3,809	2,747	3,195	3,287
Labor	16,108	6,065	5,685	8,109	2,497	2,687
State	2,492	3,004	2,928	1,930	2,059	2,172
Transportation	12,255	11,112	8,268	7,352	6,048	4,964
Treasury ¹	9,580	10,179	2,832	8,907	9,495	3,110
Environmental Protection Agency	4,111	4,378	4,668	963	1,100	1,099
General Services Administration	388	394	381	323	497	322
National Aeronautics and Space Admin- istration	7,316	7,511	7,886	5,130	5,338	5,621
Office of Personnel Management	5,760	5,897	6,320	5,526	5,706	5,887
Small Business Administration ¹	598	725	97	536	663	97
Veterans Administration	25,685	26,344	26,259	22,422	23,180	23,406
Other independent agencies ⁴	9,222	12,048	7,187	5,574	6,097	5,178
Allowances ⁵		1,506	24		1,131	24
Total	544,936	556,789	544,578	342,786	345,913	342,127
MEMORANDUM						
Appropriations to liquidate con- tract authority: ⁶						
Agriculture	9,607					
Housing and Urban Development	10,495	— 190	— 1,446			
Interior	14	28				
Transportation	12,838	14,069	15,042			
Total	32,955	13,907	13,596			

Table 8. BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS—Continued

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1984 actual	1985 estimate	1986 estimate	1984 actual	1985 estimate	1986 estimate
ADDENDUM						
Portion available through current action by Congress.....	544,936	556,789	544,578	342,786	345,913	342,127
Portion available without current action by Congress.....	572,819	691,287	708,017	446,058	530,534	533,308
Outlays from obligated balances ⁷				177,834	199,528	221,162
Outlays from unobligated balances ⁷				53,109	66,317	69,740
Deductions for offsetting receipts:						
Intragovernmental transactions.....	—131,256	—145,725	—149,167	—131,256	—145,725	—149,167
Proprietary receipts from the public.....	—36,749	—37,482	—43,445	—36,749	—37,482	—43,445
Total budget authority and outlays.....	949,751	1,064,870	1,059,983	851,781	959,085	973,725

* \$500 thousand or less.

¹ Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.² Includes allowances for military pay raises for Department of Defense.³ An imputed charge for accruals for military retirement contributions is included in Defense-Military to adjust data for comparability with the military retirement presentation beginning in 1985. Offsetting receipts equal to the imputed charge for accruals are included as deductions for offsetting receipts.⁴ For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.⁵ Includes allowances for military pay raises for the Coast Guard and contingencies.⁶ Excluded from budget authority above.⁷ Outlays from appropriations to liquidate contract authority are included as outlays from balances.

Table 9. RELATION OF BUDGET AUTHORITY TO OUTLAYS

(In millions of dollars)

Description	1984 actual	1985 estimate	1986 estimate
<i>Budget authority available through current action by Congress:</i>			
Enacted, pending, or recommended herein:			
Appropriations ^{1 2}	529,701	539,654	551,826
Contract authority	10,183	10,729	1,599
Authority to borrow	3,421	4,507	787
Reappropriations and reauthorizations	1,632	109	.....
To be requested separately:			
Appropriations ¹		2,141	-8,926
Contract authority			-130
Authority to borrow		-350	-579
Total budget authority available through current action by Congress (table 8)	544,936	556,789	544,578
<i>Budget authority available without current action by Congress (permanent authorizations):</i>			
Appropriations ¹	518,770	610,925	658,579
Contract authority	27,172	30,525	30,499
Authority to borrow	26,878	49,838	18,939
<i>Deductions for offsetting receipts (table 14):</i>			
Intragovernmental transactions	-131,256	-145,725	-149,167
Proprietary receipts from the public	-36,749	-37,482	-43,445
Total budget authority for the year (table 5)	949,751	1,064,870	1,059,983
<i>Unobligated balances and adjustments:</i>			
Unobligated balances:			
Brought forward at start of year (table 10)	383,529	420,709	447,540
Written off (rescinded, lapsed, etc.) ³	-20,680	-20,206	-12,076
Carried forward at end of year (table 10)	-420,709	-447,540	-494,234
Obligations incurred, net ⁴	891,891	1,017,833	1,001,213
<i>Obligated balances:</i>			
Brought forward at start of year, funded (table 10)	521,775	553,343	581,893
Adjustments in expired accounts	-1,251	-2,042	-923
Adjustments in unexpired accounts	-7,291	-28,156	-6,722
Deficiency appropriations		*	279
Carried forward at end of year (table 10)	-553,343	-581,893	-602,014
Budget outlays (table 3)	851,781	959,085	973,725
MEMORANDUM			
Federal funds included above:			
Budget authority available through current action by Congress	542,269	552,242	538,412
Budget authority ⁵	700,778	784,909	756,380
Obligations incurred, net ⁵	666,889	783,418	759,361
Budget outlays ⁵	636,324	731,630	734,931

* 500 thousand or less.

¹ Excludes appropriations to liquidate contract authority.

	1984 actual	1985 estimate	1986 estimate
Enacted, pending, or recommended herein	44,484	38,176	40,580
For later transmittal		-455	-1,446

² Includes an imputed charge (\$16,503 million) for accruals for military retirement contributions in 1984 to adjust data for comparability with the military retirement presentation beginning in 1985. Offsetting receipts equal to the imputed charge for accruals are included as deductions for offsetting receipts.

³ Includes redemption of agency debt and capital transfers to the general fund, as well as proposed and enacted rescissions of unobligated balances.

⁴ For additional information on obligations incurred, net, see the OMB report "Object Class Analysis", which can be purchased from the National Technical Information Service shortly after the budget is transmitted.

⁵ Amounts are net of intrafund transactions, and proprietary receipts from the public.

Table 10. BALANCES OF BUDGET AUTHORITY

(In millions of dollars)

Department or other unit	Start 1984		End 1984		End 1985		End 1986	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch.....	409	264	413	384	436	346	432	329
The Judiciary.....	80	85	101	96	116	109	135	115
Executive Office of the President.....	19		21	*	19		20	
Funds appropriated to the President.....	38,917	26,305	40,848	31,006	42,442	32,173	43,947	31,917
Agriculture.....	24,863	2,579	15,026	3,366	12,043	1,592	6,981	2,452
Commerce ¹	1,381	382	1,488	372	1,290	311	1,054	342
Defense—Military ²	128,634	43,386	153,459	51,620	191,915	51,516	223,951	55,667
Defense—Civil ³	995	666	792	516	2,301	10,030	2,277	22,321
Education.....	11,398	2,467	12,271	1,236	13,154	1,155	12,020	814
Energy.....	9,107	2,044	8,342	2,119	8,968	1,522	8,932	974
Health and Human Services.....	19,426	40,366	20,451	46,546	22,086	57,563	22,573	75,678
Housing and Urban Development.....	213,302	60,515	214,641	58,013	195,120	50,736	190,328	39,529
Interior.....	2,366	2,052	2,453	1,813	2,643	1,362	2,175	1,274
Justice.....	467	282	566	429	750	210	788	127
Labor.....	2,293	10,332	4,514	18,377	4,373	20,764	4,110	25,332
State.....	494	1,794	598	2,214	1,123	2,497	1,151	2,835
Transportation.....	29,837	9,324	33,092	10,718	35,278	10,781	35,012	10,639
Treasury ¹	1,750	30,439	1,898	28,326	2,086	22,957	1,051	22,957
Environmental Protection Agency.....	10,245	1,258	10,753	722	10,507	856	10,540	840
General Services Administration..	659	1,129	839	934	824	661	917	640
National Aeronautics and Space Administration.....	1,346	793	1,321	1,001	1,922	594	2,107	523
Office of Personnel Management.....	2,107	113,895	2,161	128,942	2,321	145,918	2,482	163,706
Small Business Administration ¹	56	1,218	180	1,417	215	1,381		
Veterans Administration.....	3,628	11,929	3,905	12,454	4,124	12,626	4,559	12,568
Other independent agencies:								
Export-Import Bank.....	6,421	399	4,956		5,802		2,937	450
Federal Deposit Insurance Corporation.....	171	13,614	4,888	9,144	4,888	10,144	4,888	11,644
Federal Home Loan Bank Board.....	1,264	3,715	2,364	3,877	3,187	2,704	4,314	1,520
Railroad Retirement Board.....	459	7	496	2,587	503	4,097	527	6,056
All other independent agencies ⁴	9,678	2,290	10,507	2,480	11,080	2,936	11,806	2,985
Allowances ⁵					375			
Total.....	521,775	383,529	553,343	420,709	581,893	447,540	602,014	494,234
MEMORANDUM								
Federal funds.....	465,774	186,844	487,864	200,051	509,463	181,332	526,526	166,287
Trust funds.....	56,001	196,686	65,479	220,658	72,430	266,208	75,488	327,947
Total.....	521,775	383,529	553,343	420,709	581,893	447,540	602,014	494,234

*500 thousand or less.

¹ Reflects proposed abolishment of the Small Business Administration in 1986 and transfer of activities to the Departments of Commerce and Treasury.² Includes balances of allowances for military pay raises for Department of Defense.³ Includes obligated balances of \$1,504 million and unobligated balances of \$9,802 million in 1985 and obligated balances of \$1,578 million and unobligated balances of \$21,418 million in 1986 due to the establishment of the military retirement trust fund.⁴ For all years includes amounts for the National Archives and Records Administration for activities formerly included in the General Services Administration.⁵ Includes balances of allowances for contingencies.

Table 11. FULL-TIME EQUIVALENT OF FEDERAL CIVILIAN EMPLOYMENT ¹

	Fiscal year				
	1983 actual ^a	1984 actual ^a	1985 estimate	1986 estimate	1987 estimate
Agriculture	109,773	108,598	108,986	98,800	91,745
Commerce ³	32,715	32,305	33,633	33,704	34,168
Defense—civil functions	30,973	28,681	28,798	28,548	28,348
Education	5,360	5,025	4,840	4,579	4,187
Energy	16,984	16,708	16,500	15,979	15,779
Health and Human Services	141,715	136,969	132,717	128,844	123,083
Housing and Urban Development	13,779	12,437	12,174	11,438	11,234
Interior	73,451	73,245	73,244	70,748	69,748
Justice	55,686	58,244	61,668	63,650	63,919
Labor	18,968	18,577	18,598	18,073	17,806
State	23,786	24,139	25,134	25,908	25,882
Transportation	61,752	61,130	61,583	60,474	58,248
Treasury ³	118,507	123,155	123,585	122,660	123,472
Environmental Protection Agency	10,883	11,412	12,576	13,081	12,901
National Aeronautics and Space Administration	22,246	22,080	22,000	21,800	21,800
Veterans Administration	216,848	218,545	221,304	218,216	216,089
Other:					
Agency for International Development	5,169	5,115	5,108	4,875	4,825
General Services Administration ⁴	28,391	25,572	25,865	25,335	24,467
Nuclear Regulatory Commission	3,403	3,441	3,491	3,491	3,491
Office of Personnel Management	5,601	5,710	5,822	5,510	5,419
Panama Canal Commission	8,636	8,137	8,410	8,300	8,300
Small Business Administration ³	4,231	4,238	4,200	554	.....
Tennessee Valley Authority	35,646	31,952	32,500	32,500	32,500
United States Information Agency	7,906	8,167	8,751	9,100	9,240
Miscellaneous ⁴	39,625	41,414	41,992	41,482	41,135
Estimated nondefense lapse			— 10,935		
Contingencies					
Civilian agency employment	1,092,034	1,084,996	1,082,544	1,067,649	1,047,786
Defense—military functions ⁵	984,806	1,011,532	1,010,217	1,020,321	1,024,000
Subtotal	2,076,840	2,096,528	2,092,761	2,087,970	2,071,786
Postal Service Employment ⁶	646,094	662,111	682,774	696,945	710,426
Total, Executive Branch	2,722,934	2,758,639	2,775,535	2,784,915	2,782,212

¹ Excludes developmental positions under the Worker-Trainee Opportunity Program (WTOP) as well as certain statutory exemptions.
² Data are estimated for portions of Defense-civil functions as well as for the Federal Reserve System, Board of Governors and the International Trade Commission.

³ For 1986-87, reflects proposed abolition of the Small Business Administration in 1986 and transfer of activities to the Departments of Commerce and Treasury.

⁴ For 1984-1987, reflects adjustments for the National Archives and Records Administration formerly included in the General Services Administration.

⁵ Section 904 of the 1982 Defense Authorization Act (Public Law 97-86) exempts the Department of Defense from full-time equivalent employment controls. Data shown are estimated.

⁶ Includes the Postal Rate Commission.

Table 12. BUDGET FINANCING AND DEBT

(In millions of dollars)

BUDGET FINANCING

	1984 actual	1985 estimate	1986 estimate
Budget surplus or deficit (—)	—185,324	—222,226	—179,996
(On-budget deficit under current law)	(—175,358)	(—209,767)	(—178,495)
(Off-budget deficit under current law) ¹	(—9,966)	(—12,459)	(—1,501)
Means of financing other than borrowing from the public:			
Decrease or increase (—) in Treasury operating cash balance..	6,631	10,426	.....
Increase or decrease (—) in:			
Checks outstanding, etc. ²	5,447	9,410	9,406
Deposit fund balances	1,930	453	—2,503
Seigniorage on coins	498	559	471
Total, means of financing other than borrowing from the public.....	14,507	20,848	7,374
Total requirements for borrowing from the public	—170,817	—201,378	—172,622
Change in debt held by the public	170,817	201,378	172,622
Nonbank investors	164,822		
Commercial banks	6,400		
Federal Reserve System	—405		

DEBT, END OF YEAR

	1983 actual			
Gross Federal debt:				
Debt issued by Treasury	1,377,211	1,572,267	1,836,725	2,070,034
Debt issued by other agencies	4,675	4,481	4,352	4,197
Total gross Federal debt	1,381,886	1,576,748	1,841,077	2,074,231
Held by:				
Government agencies	240,114	264,159	327,110	387,642
The public	1,141,771	1,312,589	1,513,967	1,686,589
Federal Reserve System	155,527	155,122		
Others	986,244	1,157,467		

DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

Debt issued by Treasury	1,377,211	1,572,267	1,836,725	2,070,034
Treasury debt not subject to limitation	—605	—603	—603	—603
Agency debt subject to limitation	1,347	1,312	1,292	1,283
Total debt subject to statutory limitation ³	1,377,953	1,572,975	1,837,414	2,070,714

¹ Proposed to be included on-budget² Besides checks outstanding, includes accrued interest payable on Treasury debt, miscellaneous liability accounts, allocations of special drawing rights, and, as an offset, cash and monetary assets other than the Treasury operating cash balance, miscellaneous asset accounts, and profit on sale of gold.³ The statutory debt limit is established at \$1,823.8 billion (Public Law 98-475).

Table 13. BUDGET RECEIPTS BY SOURCE

(In millions of dollars)

Source	1984 actual	1985 estimate	1986 estimate
Individual income taxes:			
Withheld	279,345	302,859	331,741
Other	81,632	92,904	100,568
Proposed legislation			— 554
Gross individual income taxes	360,977	395,763	431,755
Refunds	— 64,771	— 66,086	— 72,866
Net individual income taxes	296,206	329,677	358,889
Corporation income taxes:			
Existing law	74,179	79,488	88,462
Proposed legislation			— 750
Refunds	— 17,286	— 13,085	— 13,624
Net corporation income taxes	56,893	66,403	74,088
Social insurance taxes and contributions (trust funds):			
Employment taxes and contributions:			
Old-age and survivors insurance	152,444	172,741	186,230
Proposed legislation			260
Disability insurance	15,907	16,521	17,797
Proposed legislation			24
Hospital insurance	40,262	45,069	51,104
Proposed legislation			76
Railroad retirement:			
Social Security equivalent account		1,496	1,504
Railroad retirement ¹	3,321	2,231	2,336
Total employment taxes and contributions	211,933	238,058	259,331
Unemployment insurance:			
State taxes deposited in Treasury ²	19,036	19,407	17,991
Proposed legislation			81
Federal unemployment tax receipts ²	5,899	5,940	6,938
Proposed legislation			15
Railroad unemployment tax receipts ²	202	239	234
Proposed legislation			50
Total unemployment insurance	25,138	25,586	25,309
Other retirement contributions:			
Federal employees' retirement—employee contributions	4,494	4,634	4,691
Contributions for non-Federal employees ³	86	89	93
Proposed legislation			12
Total other retirement contributions	4,580	4,723	4,797
Total social insurance taxes and contributions	241,651	268,367	289,436
Excise taxes:			
Federal funds:			
Alcohol taxes:			
Distilled spirits	3,566	4,138	4,204
Beer	1,516	1,674	1,605
Wines	320	274	276
Special taxes in connection with liquor occupations	22	21	21
Refunds	— 87	— 80	— 80
Total alcohol taxes	5,315	6,027	6,026
Tobacco taxes:			
Cigarettes	4,623	4,678	2,586
Cigars	30	32	32
Cigarette papers and tubes	2	2	2
Other	8	6	6
Refunds	— 3	— 5	— 3

Table 13. BUDGET RECEIPTS BY SOURCE—Continued

(In millions of dollars)

Source	1984 actual	1985 estimate	1986 estimate
Total tobacco taxes.....	4,660	4,713	2,623
Manufacturers' excise taxes:			
Gasoline.....	38		
Firearms, shells, and cartridges.....	64	76	81
Fishing rods, creels, etc.....	38		
Pistols and revolvers.....	22	25	28
Bows and arrows.....	8	7	8
Gas guzzler tax.....	9	11	14
Windfall profit tax.....	9,056	6,598	5,027
Refunds.....	-229	-81	-58
Total manufacturers' excise taxes.....	9,006	6,636	5,100
Miscellaneous excise taxes:			
General and toll telephone and teletype service.....	2,035	2,170	2,386
Wagering taxes, including occupational taxes.....	7	7	7
Employee pension plans.....	11	11	11
Tax on foundations.....	152	135	123
Foreign insurance policies.....	56	64	69
Other.....	3	2	2
Refunds.....	-99	-20	-20
Total miscellaneous excise taxes.....	2,165	2,369	2,578
Undistributed Federal tax deposits and unapplied collections.....	1,134	-41	-38
Total Federal fund excise taxes.....	22,279	19,704	16,289
Trust funds:			
Highway:			
Gasoline.....	8,910	9,211	9,401
Trucks, buses, and trailers.....	865	1,248	1,241
Tires, innertubes, and tread rubber.....	332	201	218
Diesel fuel used on highways.....	1,630	2,293	2,567
Use-tax on certain vehicles.....	180	427	355
Truck parts and accessories.....	-28		
Lubricating oils.....	-4		
Refunds.....	-142	-63	-162
Total highway trust fund.....	11,743	13,318	13,621
Airport and airway:			
Transportation of persons.....	2,181	2,550	2,772
Waybill tax.....	134	188	211
Tax on fuels.....	106	116	122
International departure tax.....	80	90	93
Tires and innertubes.....	*		
Refunds.....	-2	-2	-2
Total airport and airway trust fund.....	2,499	2,942	3,196
Aquatic resources trust fund.....	12	136	145
Black lung disability insurance trust fund.....	518	576	599
Proposed legislation.....			223
Inland waterway trust fund.....	39	40	51
Hazardous substances response trust fund.....	261	272	15
Proposed legislation.....			859
Post-closure liability trust fund.....	9	7	
Total trust fund excise taxes.....	15,082	17,291	18,709
Total excise taxes.....	37,361	36,995	34,998
Estate and gift taxes.....	6,010	5,603	5,345
Customs duties ⁴	11,370	11,809	12,342

Table 13. BUDGET RECEIPTS BY SOURCE—Continued

(In millions of dollars)

Source	1984 actual	1985 estimate	1986 estimate
Miscellaneous receipts: ⁵			
Miscellaneous taxes	108	118	121
Deposit of earnings, Federal Reserve System	15,684	16,419	16,932
Alternative fuels production	12	14	12
Fees for permits and regulatory and judicial services:			
Immigration, passport, and consular fees	247	259	265
Patent and copyright fees	*		
Registration and filing fees	241	259	262
Coal mining reclamation fees	215	219	229
Miscellaneous fees for permits, licenses, etc.	46	46	41
Miscellaneous fees for regulatory and judicial services	64	117	122
Proposed legislation			40
Fees for legal and judicial services	4		
Proposed legislation			13
Total fees for permits and regulatory and judicial services	817	899	972
Fines, penalties, and forfeitures	328	529	569
Proposed legislation			1
Restitutions, reparations, and recoveries under military occupation	2	1	1
Gifts and contributions	35	42	41
Refunds and recoveries	-22	-20	-20
Total miscellaneous receipts	16,965	18,004	18,630
Total budget receipts	666,457	736,859	793,729
MEMORANDUM			
Federal funds	418,095	459,314	493,534
Trust funds ⁶	338,103	396,495	421,302
Interfund transactions ⁶	-89,740	-118,950	-121,107

* \$500 thousand or less.

¹ In 1985 and 1986, rail pension fund.² Deposits by States are State payroll taxes that cover the benefit part of the program. Federal unemployment tax receipts cover administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.³ Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.⁴ Includes both Federal and trust funds. Trust fund amounts in customs duties are: 1984, \$30 million; and 1985, \$30 million.⁵ Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1984, \$126 million; 1985, \$144 million; and 1986, \$155 million.⁶ Includes impact of the shift of off-budget Federal entities to on-budget status under proposed legislation.

Note.—Estimates for 1985 and 1986 include effects of proposed legislation.

Table 14. OFFSETTING RECEIPTS BY TYPE

(In millions of dollars)

Type	1984 actual	1985 estimate	1986 estimate
INTRAGOVERNMENTAL TRANSACTIONS			
Federal intrafund transactions:			
Distributed by agency:			
Under current law:			
Interest on Government capital in enterprises	5,204	4,676	5,045
Other	49	39	101
From entities that are off-budget under current law	15,378	17,912	19,339
Undistributed by agency:			
Employer share, employee retirement:			
Military retirement fund (imputed)	16,503		
Total Federal intrafunds	37,134	22,626	24,484
Trust intrafund transactions:			
Distributed by agency:			
Railroad retirement/social security ¹	2,426	2,401	2,434
Other	1,957	1,748	1,142
Total trust intrafunds distributed by agency	4,382	4,149	3,576
Total intrafund transactions	41,516	26,775	28,060
Interfund transactions:			
Distributed by agency:			
Federal fund payments to trust funds:			
Contributions to insurance programs:			
Old-age, survivors, and disability insurance	6,878	3,742	5,762
Military retirement fund		9,551	10,054
Supplementary medical insurance	16,811	17,898	18,266
Hospital insurance	1,106	1,363	1,084
Railroad social security equivalent benefits		1,903	1,984
Railroad industry pension	2,530	992	1,116
Civilian supplementary retirement contributions	15,736	15,974	15,933
Unemployment insurance	3,973	1,517	327
Other	348	403	191
Miscellaneous contributions:			
State and local government fiscal assistance	4,567	4,567	
Other	150	204	175
Subtotal	52,099	58,114	54,892
Trust fund payments to Federal funds:			
Repayment of loans or advances to trust funds	7,105	6,661	6,473
Charges for services to trust funds	207	270	268
Other	1,215	1,356	1,364
Subtotal	8,527	8,287	8,105
Total interfunds distributed by agency	60,626	66,401	62,997
Undistributed by agency:			
Employer share, employee retirement:			
Under current law:			
Civil service retirement and disability insurance	3,542	3,661	3,571
Old-age, survivors, disability, and hospital insurance (contribution as employer) ²	3,182	3,723	4,023
Military retirement fund		17,017	18,232
Other Federal employees retirement	40	92	259
From entities that are off-budget under current law:			
Civil service retirement and disability insurance	1,829	2,321	2,675
Hospital insurance	168	180	201

Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Type	1984 actual	1985 estimate	1986 estimate
Total employer share, employee retirement interfun- distributions undistributed by agency.....	8,760	26,994	28,961
Interest received by trust funds	20,354	25,554	29,149
Total interfund transactions undistributed by agency	29,114	52,548	58,110
Total interfund transactions	89,740	118,950	121,107
Total intragovernmental transactions.....	131,256	145,725	149,167
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Distributed by agency:			
Interest:			
Interest on loans, Foreign Assistance Act	361	301	310
Other interest on foreign loans and deferred foreign collections	973	936	1,148
Interest on deposits in tax and loan accounts	1,206	1,055	875
Other interest (domestic-civil) ³	749	804	820
Total interest	3,289	3,096	3,152
Dividends and other earnings	15	5	5
Rents:			
Rent and bonuses from land leases, etc	72	83	129
Rent of land and other real property	30	55	58
Rent of equipment and other personal property	26	29	29
Total rents	128	167	216
Royalties	974	996	997
Sale of products:			
Sale of timber and other natural land products	842	1,287	1,175
Sale of minerals and mineral products	1,580	1,176	1,141
Sale of power and other utilities	642	778	1,098
Sale of other products	*	*	*
Recovery of mint manufacturing expense	82	154	54
Total sale of products	3,147	3,394	3,468
Fees and other charges for services and special benefits:			
Medicare premiums and other charges (trust fund)	4,942	5,547	6,121
Revenues for enrichment of uranium	1,852	1,548	.....
Nuclear waste disposal revenues	330	1,120	401
Veterans life insurance (trust funds)	441	393	413
Tolls and other revenues, Panama Canal	406	432	448
Other ³	997	952	2,285
Total fees and other charges	8,968	9,992	9,668
Sale of Government property:			
Sale of land and other real property ³	180	221	199
Sale of equipment and other personal property:			
Military assistance program sales (trust fund)	11,237	12,100	12,400
Sale of scrap and salvage material	79	83	87
Total sale of property	11,495	12,404	12,686
Realization upon loans and investments:			
Dollar repayments of loans, Agency for International Development	372	324	345
Foreign military credit sales	86	93	99
Dollar conversion of foreign currency	110	111	111
Repayment of loans to United Kingdom	84	85	87
Other	64	131	1,105
Total realization upon loans and investments	716	745	1,747

Table 14. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Type	1984 actual	1985 estimate	1986 estimate
Recoveries and refunds ³	367	512	1,133
Miscellaneous receipt accounts ³	937	869	902
Total proprietary receipts from the public distributed by agency	30,037	32,180	33,975
Undistributed by agency:			
Other interest: Interest received from Outer Continental Shelf escrow account	18		953
Rents and royalties on the Outer Continental Shelf:			
Rents and bonuses	3,544	1,675	3,972
Royalties	3,150	3,627	3,345
Sale of Conrail			1,200
Total proprietary receipts from the public undistributed by agency	6,711	5,302	9,470
Total proprietary receipts from the public ⁴	36,749	37,482	43,445
Total offsetting receipts	168,005	183,206	192,612

* \$500 thousand or less.

Note: Receipts are "under current law" unless otherwise stated.

¹ Interchange receipts between the social security and railroad retirement funds place the social security funds in the same position they would have been if there were no separate railroad retirement system.² Includes provision for covered Federal civilian employees and military personnel.³ Includes both Federal funds and trust funds.⁴ Consists of:

	1984 actual	1985 estimate	1986 estimate
Federal funds	19,105	18,418	23,109
Trust funds	17,644	19,063	20,337

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel ¹	64,158	67,546	72,798
Operation and maintenance	67,369	74,569	79,648
Procurement	61,879	69,706	83,045
Research, development, test, and evaluation	23,117	27,786	33,988
Military construction	3,706	4,209	5,29 ^c
Other ²	1,306	2,760	3,336
Department of the Treasury (Federal Financing Bank) ³	2	5	5
Allowances		446	77
Deductions for offsetting receipts	— 696	— 723	— 687
Total 051	220,840	246,305	277,505
053 Atomic energy defense activities:			
Department of Energy	6,120	6,991	7,700
054 Defense-related activities:			
Department of Defense—Civil		9,551	10,054
General Services Administration	88	83	29
Other independent agencies:			
Central Intelligence Agency	86	99	101
Federal Emergency Management Agency	240	307	289
Intelligence Community Staff	16	16	17
Selective Service System	22	28	27
Deductions for offsetting receipts		— 9,551	— 10,054
Total 054	453	533	464
Total national defense	227,413	253,830	285,669
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President ²	3,515	3,789	3,758
Department of Agriculture	1,085	1,791	1,307
Department of State	369	398	688
Department of Transportation (trust funds)	7	9	9
Department of the Treasury (Federal Financing Bank) ³	— 5	— 5	— 5
Deductions for offsetting receipts	— 493	— 459	— 479
Total 151	4,478	5,523	5,278
152 International security assistance:			
Funds appropriated to the President	5,192	7,926	9,026
Department of State	*	4	4
Department of the Treasury (Federal Financing Bank) ³	2,818	2,340	282
Deductions for offsetting receipts	— 86	— 93	— 99
Total 152	7,924	10,177	9,213
153 Conduct of foreign affairs:			
Funds appropriated to the President	41	42	36
Department of Justice	1	1	1
Department of State ²	2,181	2,453	2,654
Other independent agencies:			
Arms Control and Disarmament Agency	17	19	19
International Trade Commission	23	24	29
Other Temporary Commissions		*	*

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
United States Institute of Peace.....		1	3
Deductions for offsetting receipts.....	-380	-388	-288
Total 153.....	1,882	2,152	2,454
154 Foreign information and exchange activities:			
Other independent agencies:			
Board for International Broadcasting.....	105	111	121
Japan-United States Friendship Commission (trust funds).....	2	2	2
United States Information Agency ²	574	828	918
Deductions for offsetting receipts.....	—*	—*	—*
Total 154.....	682	941	1,041
155 International financial programs:			
Funds appropriated to the President ²	11,408	11,897	12,536
Department of the Treasury.....	-246	-280	-289
Other independent agencies: Export-Import Bank of the United States.....	1,068	1,359	603
Deductions for offsetting receipts.....	-11,320	-12,185	-12,487
Total 155.....	910	790	364
Total international affairs.....	15,876	19,583	18,349
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Energy.....	650	687	697
Other independent agencies:			
National Science Foundation ²	1,198	1,429	1,540
Total 251.....	1,849	2,116	2,237
253 Space flight:			
National Aeronautics and Space Administration.....	4,028	3,914	4,004
254 Space, science, applications, and technology:			
National Aeronautics and Space Administration.....	1,687	1,890	2,144
255 Supporting space activities:			
Department of the Treasury (Federal Financing Bank) ³	7	-67	-107
National Aeronautics and Space Administration ²	746	886	1,007
Total 255.....	754	819	900
Total general science, space, and technology.....	8,317	8,740	9,285
270 ENERGY			
271 Energy supply:			
Funds appropriated to the President.....		*	
Department of Agriculture.....	226	31	28
Department of Agriculture (off-budget under current law) ³	-1		
Department of Energy ²	4,854	5,144	2,797
Department of the Interior.....	41	9	1
Department of the Treasury.....	18	160	322
Department of the Treasury (Federal Financing Bank) ³	2,200	3,575	2,576
Environmental Protection Agency.....	40	43	53
Other independent agencies:			
Other Temporary Commissions.....		*	
Tennessee Valley Authority.....	185	535	165

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
Deductions for offsetting receipts	-4,331	-4,548	-2,773
Total 271	3,252	4,949	3,170
272 Energy conservation:			
Department of Energy	519	518	346
Department of Housing and Urban Development	8	26	35
Total 272	527	545	381
274 Emergency energy preparedness:			
Department of Energy	189	276	237
Department of Energy (off-budget under current law) ³	2,329	1,630	148
Total 274	2,518	1,906	385
276 Energy information, policy, and regulation:			
Department of Energy	541	572	297
Other independent agencies:			
Nuclear Regulatory Commission	462	451	438
Office of the Federal Inspector for the Alaska Natural Gas Transportation System	3	2	1
Deductions for offsetting receipts	-217	-261	
Total 276	790	764	736
Total energy	7,086	8,164	4,671
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture ²	243	304	198
Department of Defense—Civil ²	3,096	3,118	2,994
Department of the Interior ²	872	1,020	980
Department of State	14	17	16
Other independent agencies:			
Delaware River Basin Commissions	*	*	*
Susquehanna River Basin Commission	*	*	*
Water Resources Council ²	1		
Deductions for offsetting receipts	-158	-167	-623
Total 301	4,068	4,293	3,566
302 Conservation and land management:			
Department of Agriculture ²	2,392	2,505	2,274
Department of Commerce	35	18	
Department of Defense—Civil		*	
Department of the Interior ²	993	1,045	977
Department of State	9	9	10
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	-2,127	-2,599	-2,543
Total 302	1,302	979	719
303 Recreational resources:			
Department of Agriculture	38	42	41
Department of Defense—Civil	7	18	14
Department of the Interior ²	1,595	1,645	1,443
Other independent agencies: Advisory Council on Historic Preservation ²	2	2	1
Deductions for offsetting receipts	-61	-84	-139
Total 303	1,581	1,622	1,361

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
304 Pollution control and abatement:			
Department of Agriculture.....	5	9	11
Department of Transportation.....	3	9	9
Environmental Protection Agency ²	4,083	4,447	4,597
Other independent agencies:			
Interstate Commission on the Potomac River Basin.....	*	*	
Other temporary commissions.....	*		
Deductions for offsetting receipts.....	-47	-78	-38
Total 304.....	4,044	4,387	4,579
306 Other natural resources:			
Department of Commerce ²	963	1,089	1,083
Department of the Interior ²	639	658	592
Deductions for offsetting receipts.....	-7	-4	-15
Total 306.....	1,595	1,744	1,660
Total natural resources and environment.....	12,591	13,024	11,884
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture ²	10,467	17,169	12,021
Department of the Treasury (Federal Financing Bank) ³	1,410	1,175	-1,084
Other independent agencies: Farm Credit Administration.....	-2	*	
Total 351.....	11,877	18,344	10,937
352 Agricultural research and services:			
Department of Agriculture ²	1,816	1,912	1,781
Deductions for offsetting receipts.....	-80	-91	-90
Total 352.....	1,736	1,821	1,691
Total agriculture.....	13,613	20,165	12,629
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and deposit insurance:			
Department of Agriculture.....	2,340	2,229	2,492
Department of Housing and Urban Development.....	951	-913	-1,486
Department of the Treasury (Federal Financing Bank) ³	1,090	2,335	-180
Other independent agencies:			
Federal Deposit Insurance Corporation (trust funds).....	-248	-1,000	-1,500
Federal Home Loan Bank Board.....	-561	350	57
National Credit Union Administration.....	193	-822	-96
Total 371.....	3,766	2,179	-713
372 Postal Service:			
Other independent agencies:			
Postal Service.....	879	1,041	39
Postal Service (off budget under current law) ³	360	320	1,178
Total 372.....	1,239	1,361	1,217
376 Other advancement of commerce:			
Legislative branch.....	59	88	96
Department of Commerce ^{2 4}	733	816	800
Department of Housing and Urban Development.....	-15	-4	-5
Department of State.....		*	
Department of the Treasury ^{2 4}	1	-3	2,865

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
Department of the Treasury (Federal Financing Bank) ³	254	500	— 1,735
General Services Administration	674	813	150
Small Business Administration ⁴	25	27	27
Other independent agencies:			
Commodity Futures Trading Commission	87	96	92
Federal Communications Commission	66	70	65
Federal Trade Commission		*	*
Other Historical and Memorial Agencies	5	*	*
National Institute of Building Sciences			
Securities and Exchange Commission	92	104	105
United States Metric Board ²	*	*	
Deductions for offsetting receipts	— 70	— 63	— 760
Total 376	1,913	2,447	1,702
Total commerce and housing credit	6,917	5,987	2,206
400 TRANSPORTATION			
401 Ground transportation:			
Department of Agriculture (trust funds)		*	
Department of the Interior (trust funds)	1	43	*
Department of Transportation ²	16,983	18,586	17,672
Department of the Treasury (Federal Financing Bank) ³	— 904	— 5	— 9
Other independent agencies:			
Washington Metropolitan Area Transit Authority	33	52	52
Interstate Commerce Commission	56	55	52
Other temporary commissions	1		
United States Railway Association	2	3	
United States Railway Association (off-budget under current law) ³	— 14	— 4	
Deductions for offsetting receipts	— 1	— 1	— 1
Total 401	16,158	18,729	17,766
402 Air transportation:			
Department of Transportation ²	3,859	4,385	4,617
National Aeronautics and Space Administration	586	627	616
Other independent agencies: Civil Aeronautics Board	21	7	
Deductions for offsetting receipts	— 52	— 53	— 58
Total 402	4,415	4,966	5,175
403 Water transportation:			
Department of Transportation ²	3,030	3,184	3,031
Other independent agencies:			
Federal Maritime Commission	11	12	12
Panama Canal Commission	381	426	446
Deductions for offsetting receipts	— 412	— 445	— 697
Total 403	3,010	3,176	2,792
407 Other transportation:			
Department of Transportation	64	101	105
Other independent agencies:			
National Transportation Safety Board	21	22	22
Total 407	85	123	127
Total transportation	23,669	26,994	25,860

SUMMARY TABLES

9-35

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development	4,443	4,774	4,544
Department of the Treasury (Federal Financing Bank) ³	31	42	24
Other independent agencies:			
Commission of Fine Arts	*	*	*
Federal Emergency Management Agency ²	14	11	17
National Capital Planning Commission	2	3	3
Neighborhood Reinvestment Corporation	16	16	15
Pennsylvania Avenue Development Corporation ²	13	15	13
Total 451	4,520	4,861	4,616
452 Area and regional development:			
Funds appropriated to the President	213	184	152
Department of Agriculture	1,253	1,260	1,154
Department of Agriculture (off-budget under current law) ³	15	70	98
Department of Commerce ²	218	241	156
Department of Health and Human Services	7	1	-2
Department of the Interior ²	1,108	1,154	1,114
Department of the Treasury (Federal Financing Bank) ³	320	589	360
Other independent agencies:			
Appalachian Regional Commission ²	7	7	3
Tennessee Valley Authority	166	143	40
Deductions for offsetting receipts	-273	-283	-282
Total 452	3,034	3,366	2,792
453 Disaster relief and insurance:			
Funds appropriated to the President ²	243	200	194
Department of Agriculture	15	11	12
Department of Commerce	-*	*	
Department of the Treasury ⁴			482
Small Business Administration ⁴	-419	-87	
Other independent agencies: Federal Emergency Management Agency	279	201	175
Deductions for offsetting receipts			-948
Total 453	119	326	-84
Total community and regional development	7,673	8,553	7,323
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Education ²	6,262	7,392	7,422
Department of the Interior	258	269	248
Total 501	6,520	7,661	7,670
502 Higher education:			
Department of Education	7,404	8,552	8,015
Department of Housing and Urban Development	-1	-18	-27
Other independent agencies:			
Harry S Truman Scholarship Foundation (trust funds)	2	2	3
National Commission on Student Financial Assistance ²	*	*	
Deductions for offsetting receipts	-23	-31	-33

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
Total 502	7,383	8,506	7,959
503 Research and general education aids:			
Legislative branch ²	171	191	197
Department of Commerce	17	19	13
Department of Education ²	375	286	256
Other independent agencies:			
Corporation for Public Broadcasting	138	150	160
National Commission on Libraries and Information Science ²	1	1	*
National Endowment for the Arts ²	145	163	161
National Endowment for the Humanities ²	140	155	132
Institute of Museum Services	17	25	16
Smithsonian Institution	211	240	256
Deductions for offsetting receipts	-5	-5	-5
Total 503	1,210	1,225	1,187
504 Training and employment:			
Department of Commerce	1	2	
Department of Health and Human Services	265	267	60
Department of Labor ²	4,378	5,030	4,871
Total 504	4,644	5,298	4,931
505 Other labor services:			
Department of Labor	481	544	518
Other independent agencies:			
Committee for Purchase from the Blind and other Severely Handicapped	1	1	1
Federal Mediation and Conciliation Service	22	24	23
National Labor Relations Board	130	136	132
National Mediation Board	5	6	6
Total 505	639	711	679
506 Social services:			
Department of Education	1,435	1,127	1,154
Department of Health and Human Services	5,625	5,753	5,556
Department of Housing and Urban Development	3	4	4
General Services Administration	*	*	*
Other independent agencies:			
ACTION	133	144	148
Community Services Administration	-12	4	
National Council on the Handicapped	*	1	1
Total 506	7,185	7,032	6,863
Total education, training, employment, and social services	27,579	30,434	29,288
550 HEALTH			
551 Health care services:			
Legislative Branch	-3	3	3
Department of Health and Human Services ²	23,215	26,109	26,756
Department of the Treasury (Federal Financing Bank) ³	-14	-4	-10
Office of Personnel Management ²	1,342	1,143	1,460
Other independent agencies: Other temporary commissions	*		
Deductions for offsetting receipts	-18	-7	-7
Total 551	24,522	27,244	28,202

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
552 Health research:			
Department of Health and Human Services.....	4,380	4,962	5,205
Department of Housing and Urban Development.....	—1	—1	—1
Total 552.....	4,379	4,961	5,204
553 Education and training of health care work force:			
Department of Health and Human Services.....	388	478	455
554 Consumer and occupational health and safety:			
Executive Office of the President.....	—*	*	
Department of Agriculture.....	338	361	346
Department of Health and Human Services.....	390	416	426
Department of Labor.....	357	371	359
Other independent agencies:			
Consumer Product Safety Commission.....	34	37	34
Federal Mine Safety and Health Review Commission.....	4	4	4
Occupational Safety and Health Review Commission.....	6	6	6
Deductions for offsetting receipts.....			—115
Total 554.....	1,129	1,196	1,059
Total health.....	30,417	33,879	34,920
570 SOCIAL SECURITY AND MEDICARE			
571 Social security:			
Department of Health and Human Services ²	187,744	197,348	209,940
Deductions for offsetting receipts.....	—9,521	—6,242	—7,695
Total 571.....	178,223	191,107	202,245
572 Medicare:			
Department of Health and Human Services ²	80,586	91,064	92,629
Deductions for offsetting receipts.....	—23,046	—24,808	—25,471
Total 572.....	57,540	66,256	67,158
Total social security and medicare.....	235,764	257,363	269,404
600 INCOME SECURITY			
601 General retirement and disability insurance (excluding Social Security):			
Department of Health and Human Services.....	1,057	1,039	991
Department of Labor ²	1,250	1,209	1,015
Department of the Treasury.....	525		
Other independent agencies:			
Railroad Retirement Board ²	8,672	11,216	11,582
Deductions for offsetting receipts.....	—6,062	—7,959	—8,007
Total 601.....	5,441	5,504	5,580
602 Federal employee retirement and disability:			
Legislative branch (trust funds).....	*	*	*
The Judiciary (trust funds).....	3	4	4
Department of Defense—Civil (trust funds).....	16,471	15,860	17,800
Department of Labor.....	219	207	233
Department of State (trust funds).....	212	212	244
Office of Personnel Management (trust funds).....	21,187	22,396	23,278
Deductions for offsetting receipts.....	—36	—39	—42

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
Total 602	38,054	38,641	41,518
603 Unemployment compensation:			
Department of Labor ²	29,060	23,215	21,322
Department of Transportation	58	46	18
Other independent agencies: Railroad Retirement Board	-72	*	
Deductions for offsetting receipts	-10,625	-6,481	-5,047
Total 603	18,421	16,780	16,294
604 Housing assistance:			
Department of Agriculture	32	49	42
Department of Housing and Urban Development	11,126	25,038	12,297
Department of the Treasury		300	
Department of the Treasury (Federal Financing Bank) ³	112	-32	-35
Total 604	11,270	25,355	12,304
605 Food and nutrition assistance:			
Department of Agriculture	17,997	18,594	18,268
Other independent agencies: Federal Emergency Management Agency	58	70	
Total 605	18,055	18,664	18,268
609 Other income security:			
Department of Health and Human Services	20,234	21,242	20,551
Department of State	*		
Department of the Treasury	1,193	1,054	1,255
Total 609	21,427	22,296	21,806
Total income security	112,668	127,240	115,769
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration ²	14,843	15,149	15,551
Deductions for offsetting receipts	-443	-395	-435
Total 701	14,400	14,754	15,135
702 Veterans education, training, and rehabilitation:			
Department of Defense—Civil (trust funds)		*	8
Veterans Administration ²	1,575	1,512	1,273
Deductions for offsetting receipts	-216	-218	-171
Total 702	1,359	1,295	1,110
703 Hospital and medical care for veterans:			
Veterans Administration	8,861	9,621	10,059
Deductions for offsetting receipts			-65
Total 703	8,861	9,621	9,994
704 Veterans housing:			
Department of Housing and Urban Development	-22	-19	-21
Veterans Administration	325	376	-267
Deductions for offsetting receipts	-59		
Total 704	244	358	-288
705 Other veterans benefits and services:			
Department of Defense—Civil ²	37	51	46

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
Department of the Treasury (trust funds).....		*	
Veterans Administration ²	707	766	765
Other independent agencies: American Battle Monuments Commission ²	11	11	11
Deductions for offsetting receipts.....	-4	-4	-5
Total 705.....	751	823	871
Total veterans benefits and services.....	25,614	26,850	26,769
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Education.....	58	64	55
Department of Health and Human Services.....	18	17	16
Department of Housing and Urban Development.....	28	34	39
Department of Justice.....	1,878	2,193	2,164
Department of the Treasury.....	1,057	1,190	1,161
Other independent agencies:			
Administrative Conference of the United States.....	1	1	1
Architectural and Transportation Barriers Compliance Board.....	2	2	2
Commission on Civil Rights.....	12	13	12
Equal Employment Opportunity Commission.....	152	165	159
Other temporary commissions.....	*		
Total 751.....	3,205	3,681	3,610
752 Federal litigative and judicial activities:			
Legislative branch.....	15	23	24
The Judiciary.....	863	1,020	1,126
Department of Justice.....	676	847	879
Other independent agencies:			
Legal Services Corporation.....	271	302	37
Other temporary commissions.....	*		
Total 752.....	1,825	2,192	2,066
753 Federal correctional activities:			
Department of Justice ²	494	580	632
754 Criminal justice assistance:			
Department of Justice.....	136	233	280
Total administration of justice.....	5,660	6,686	6,587
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch ²	1,319	1,464	1,588
Allowance.....			-171
Total 801.....	1,319	1,464	1,417
802 Executive direction and management:			
Executive Office of the President.....	95	117	110
Funds appropriated to the President.....	*	1	1
General Services Administration.....	1	1	1
Total 802.....	97	119	112

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
803 Central fiscal operations:			
Department of the Treasury ^{2 4}	3,773	4,159	4,106
Department of the Treasury (Federal Financing Bank) ^{3 5}	— 60		
Deductions for offsetting receipts	— 459	— 626	— 1,001
Total 803	3,254	3,533	3,105
804 General property and records management:			
Department of the Treasury (Federal Financing Bank) ³	— 4	— 4	— 5
General Services Administration ²	239	510	281
Other Independent Agencies:			
National Archives and Records Administration	86	95	104
Deductions for offsetting receipts	— 120	— 224	— 199
Total 804	201	376	182
805 Central personnel management:			
Office of Personnel Management	15,454	15,700	15,747
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Federal Labor Relations Authority	17	17	17
Merit Systems Protection Board	26	25	25
Other temporary commissions		*	
Deductions for offsetting receipts	— 15,358	— 15,590	— 15,646
Total 805	139	153	143
806 Other general government:			
Legislative branch	27	22	32
The Judiciary	*	*	*
Department of the Interior ²	177	209	95
Department of the Treasury ²	354	391	302
Department of the Treasury (Federal Financing Bank) ³	— *	— *	— 1
Office of Personnel Management	— *		
Other independent agencies:			
Federal Election Commission	10	13	12
Other historical and memorial agencies	*	*	*
Advisory Commission on Intergovernmental Relations ²	2	2	2
Native Hawaiians Study Commission	*	*	
Other temporary commissions	16	20	21
United States Holocaust Memorial Council ²	1	2	2
Deductions for offsetting receipts	— 32	— 75	— 75
Total 806	557	586	390
809 Deductions for offsetting receipts	— 513	— 448	— 504
Total general government	5,053	5,782	4,845
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury ²	9,140	9,184	1,168
Deductions for offsetting receipts	— 4,567	— 4,567	
Total 851	4,573	4,617	1,168
852 Other general purpose fiscal assistance:			
Department of Agriculture	203	239	67
Department of Defense—Civil	6	7	6

Table 15. BUDGET OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1984 actual	1985 estimate	1986 estimate
Department of Energy	*	1	1
Department of the Interior	976	772	708
Department of the Treasury	442	417	350
Other independent agencies: District of Columbia	601	533	532
Deductions for offsetting receipts	-31	-34	-34
Total 852	2,197	1,934	1,629
Total general purpose fiscal assistance	6,770	6,552	2,797
900 NET INTEREST			
901 Interest on the public debt:			
Department of the Treasury	153,838	180,300	198,810
Deductions for offsetting receipts	-15	-5	-5
Total 901	153,822	180,295	198,805
902 Interest received by trust funds:			
Deductions for offsetting receipts	-20,354	-25,554	-29,149
908 Other interest:			
Department of the Treasury	1,319	1,205	1,278
Deductions for offsetting receipts	-23,729	-25,520	-28,384
Total 908	-22,410	-24,315	-27,106
Total net interest	111,058	130,426	142,550
Allowances for:			
Civilian agency pay raises ⁸		6	24
Contingencies for other requirements		1,125	375
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	-8,760	-26,994	-28,961
Federal intrafund transactions ⁷	-16,503		
Total employer share, employee retirement	-25,263	-26,994	-28,961
Rents and royalties on the Outer Continental Shelf	-6,694	-5,302	-7,317
Sale of Conrail			-1,200
Total outlays	851,781	959,085	973,725
MEMORANDUM			
Federal funds ⁸	636,324	731,630	734,931
Trust funds ⁸	305,198	346,405	359,901
Interfund transactions ⁸	-89,740	-118,950	-121,107
Total	851,781	959,085	973,725

* \$500 thousand or less.

¹ Includes an imputed charge (\$16,503 million) for accruals for military retirement contributions in 1984.² Includes both Federal and trust funds.³ Off-budget under current law, proposed to be included on-budget.⁴ Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and transfer of activities to the Departments of Commerce and Treasury.⁵ Miscellaneous outlays not attributed to any single program.⁶ Allowance for military pay raises for the Coast Guard.⁷ Offsetting receipts (-\$16,503) equal to the imputed accruals for military retirement contributions in 1984.⁸ Adjusted for inclusion of transactions from entities that are off-budget under current law and proposed to be included on-budget.

Note: In order to reflect the transactions of the Federal Financing Bank (FFB) on behalf of other agencies, budget authority and outlays of the FFB account are shown in Part 8 of this volume under the Department of the Treasury and are identified by the agency, account title, and subfunction of the account being serviced.

Table 16.—LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1986 BUDGET, PROJECTIONS OF COSTS*

(In millions of dollars)

		Estimates					Explanation
		1985	1986	1987	1988	1989	1990
Environmental Protection Agency: Hazardous substance response fund (super-fund).	BA	620	900	1,125	1,200	1,150	1,175
	0	450	670	925	1,115	1,150	1,160
State: Compact of Free Association	BA		299	146	148	150	151
	0		299	146	148	150	151

This proposal would reauthorize and greatly expand the on-going national effort to clean up abandoned hazardous waste sites. Taxes on industry would be increased in order to finance the program at the expanded level.

This proposal would provide funds necessary to implement the proposed Compact of Free Association between the United States and the Federated States of Micronesia and the Marshall Islands.

*This table is supplied to meet the requirements of section 221(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510). The economic assumptions used to prepare these estimates are shown in Part 3, "Economic Assumptions and the Budget". These estimates do not reflect the effects of experience gained in operating the programs or reductions in the costs of other programs that might come about if the proposals were adopted. Since the assumptions upon which these estimates are based may change, they do not represent a commitment of specific funding levels in future years.

Table 17. CREDIT BUDGET: NEW DIRECT LOAN OBLIGATIONS AND GUARANTEED LOAN COMMITMENTS BY AGENCY

(In millions of dollars)

Department or other unit	Direct Loan Obligations			Guaranteed Loan Commitments		
	1984 actual	1985 estimate	1986 estimate	1984 actual	1985 estimate	1986 estimate
Funds Appropriated to the President	2,672	6,268	7,224	242	310	195
FFB direct loans	4,401					
Agriculture	14,681	19,263	10,853	4,777	5,881	8,020
FFB direct loans	1,002	1,325	300			
Commerce ¹	39	24	12	79	47	
Education	979	1,129	877	7,597	7,941	7,547
Energy	1	36	20	6	85	80
Health and Human Services	21	14	17	250	250	100
Housing and Urban Development ²	2,636	15,425	2,199	30,794	30,342	32,737
FFB direct loans	87	225				
Interior	67	90	60	19	45	20
Labor	1	2				
State	1	1	1			
Transportation	1,184	294	165	189	309	310
FFB direct loans	6	2				
Treasury ¹			684			
Environmental Protection Agency		6	11			
National Aeronautics and Space Administration: FFB direct loans	142					
Small Business Administration ¹	1,065	1,326		2,998	3,310	
FFB direct loans	478	680				
Veterans Administration	1,077	1,009	800	16,465	15,174	15,429
Other independent agencies:						
District of Columbia	115					
Export-Import Bank	1,467	3,865		7,149	10,000	12,000
Federal Deposit Insurance Corporation	5,658	180	150			
Federal Home Loan Bank Board (FSLIC)	656	90	148	223	246	351
National Credit Union Administration	462	503	563	9	1	
Tennessee Valley Authority	60	58	66			
FFB direct loans	137	90	87			
United States Synthetic Fuels Corporation					78	419
Total	39,093	51,904	24,240	70,798	74,018	77,208
ADDENDUM						
Secondary guaranteed loans ²				39,665	53,460	51,110

¹ Reflects proposed abolishment of the Small Business Administration on December 31, 1985 and the transfer of activities to the Departments of Commerce and Treasury.

² Commitments by GNMA to guarantee securities that are backed by loans previously insured or guaranteed by the Federal Housing Administration, Veterans Administration, or Farmers Home Administration (secondary guarantees) are excluded from the totals and shown as a memorandum entry.

Note: Loans guaranteed by Federal agencies and disbursed by the Federal Financing Bank (FFB) are identified in this table as FFB direct loans.

Table 18. CONTROLLABILITY OF BUDGET OUTLAYS, 1976-86

(In billions of dollars)

	Actual										Estimate	
	1976	TQ	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:	74.7	20.4	86.0	94.5	105.0	120.0	141.2	157.4	171.8	179.3	192.0	203.4
Social security and railroad retirement												
Federal employees' retirement and insurance	21.2	5.7	24.0	26.7	29.9	34.7	40.5	44.4	47.3	49.0	49.9	54.1
Unemployment assistance	18.5	3.3	14.2	10.8	9.7	16.8	18.2	22.1	29.7	16.9	15.4	14.8
Medical care	25.1	6.7	30.1	34.3	39.9	47.2	57.2	65.6	73.5	79.9	91.9	96.8
Assistance to students	5.7	.8	3.8	3.9	3.7	3.9	4.7	5.1	4.4	4.8	4.9	4.6
Food and nutrition assistance	1.9	.4	2.8	2.7	3.0	3.5	3.5	3.0	3.3	3.6	3.9	4.1
Public assistance and related programs	14.0	3.5	15.0	15.8	15.5	17.5	19.3	19.5	20.9	21.0	21.9	22.4
All other relatively uncontrollable payments for individuals	1.9	.4	1.9	1.9	2.6	3.0	3.0	2.9	2.9	2.9	2.9	2.9
Subtotal, payments for individuals	162.9	41.2	177.9	190.6	209.5	246.6	287.6	320.1	353.8	357.4	382.7	403.1
Net interest	26.7	6.9	29.9	35.4	42.6	52.5	68.7	85.0	89.8	111.1	130.4	142.9
General revenue sharing	6.2	1.6	6.8	6.8	6.8	6.8	5.1	4.6	4.6	4.6	4.6	4.6
Farm price supports (FPC)	1.1	.5	3.8	5.7	3.6	2.8	4.0	11.7	18.9	7.3	15.0	12.3
Other open-ended programs and fixed costs	- .3	-.2	-2.0	-5	-2.6	2.0	2.3	-1.4	-2.3	-1.6	-3.6	-4.0
Total, open-ended programs and fixed costs	196.6	50.0	216.4	238.1	259.9	310.7	367.8	419.9	464.8	478.8	529.1	558.9
Outlays from prior-year contracts and obligations: ¹												
National defense	17.9	7.7	18.5	28.2	30.9	36.5	41.4	56.9	68.3	79.5	91.3	109.2
Civilian programs	35.8	13.4	40.3	48.7	54.4	66.7	67.2	64.5	60.4	65.8	75.7	78.0
Total, outlays from prior-year contracts and obligations	53.7	21.1	58.8	76.9	85.3	103.2	108.6	121.5	128.7	145.3	167.0	187.1
Total, relatively uncontrollable outlays:	250.3	71.1	275.2	314.9	345.3	413.8	476.4	541.4	593.5	624.1	696.1	746.1
Relatively controllable outlays:												
National defense	53.8	8.9	56.9	55.9	61.9	67.6	90.5	120.8	149.6	147.8	162.4	176.3

SUMMARY TABLES

9-45

Civilian programs.....	72.1	17.1	80.9	91.0	98.0	111.0	108.2	86.0	76.4	95.2	115.1	78.8
(Administrative expenses of relatively uncontrollable payments for individuals).....	(3.9)	(1.0)	(4.3)	(4.6)	(4.9)	(5.2)	(6.0)	(6.6)	(7.2)	(7.3)	(7.9)	(8.1)
(Other).....	(68.2)	(16.1)	(76.7)	(86.4)	(93.2)	(105.8)	(102.2)	(79.4)	(69.2)	(87.9)	(107.2)	(70.7)
Total, relatively controllable outlays ²	125.9	26.0	137.8	146.9	159.9	178.7	198.7	206.8	226.0	243.0	277.5	255.1
Off-budget under current law ³	7.3	1.8	8.7	10.4	12.5	14.2	21.0	17.3	12.4	10.0	12.5	1.5
Undistributed employer share, employee retirement ⁴	-11.7	-2.9	-12.5	-13.5	-14.2	-15.8	-17.9	-19.9	-23.5	-25.3	-27.0	-29.0
Total budget outlays.....	371.8	96.0	401.2	458.7	503.5	490.9	678.2	745.7	808.3	851.8	959.1	973.7
MEMORANDUM—Percent of total outlays												
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:	43.8	43.0	43.5	41.6	41.6	41.7	42.4	42.9	43.8	42.0	39.9	41.4
Payments for individuals.....	9.1	9.1	9.4	10.3	10.0	10.8	11.8	13.4	13.7	14.2	15.3	16.0
Other.....												
Total open-ended programs and fixed costs.....	52.9	52.1	52.9	51.9	51.6	52.6	54.2	56.3	57.5	56.2	55.2	57.4
Outlays from prior-year contracts and obligations.....	14.4	21.9	14.4	16.8	17.0	17.5	16.0	16.3	15.9	17.1	17.4	19.2
Total relatively uncontrollable outlays.....	67.3	74.0	67.2	68.7	68.6	70.0	70.2	72.6	73.4	73.3	72.6	76.6
Relatively controllable outlays.....	33.9	27.1	33.7	32.0	31.8	30.2	29.3	27.7	28.0	28.5	28.9	26.2
Off-budget under current law ³	2.0	1.9	2.1	2.3	2.5	2.4	3.1	2.3	1.5	1.2	1.3	0.2
Undistributed employer share, employee retirement ⁴	-3.2	-3.0	-3.1	-2.9	-2.8	-2.7	-2.6	-2.7	-2.9	-3.0	-2.8	-3.0
Total budget outlays.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."

² In addition to amounts provided under current law, includes the effect of proposed legislation as follows: for open-ended programs and fixed costs, —\$0.2 billion in 1985 and —\$12.2 billion in 1986 (all of which is for civilian programs); and for other relatively controllable programs, \$1.0 billion in 1985 and —\$1.3 billion in 1986 (of which \$0.6 billion in 1985 and \$0.2 billion in 1986 is for national defense and \$0.4 billion in 1985 and —\$1.5 billion in 1986 is for civilian programs).

³ Proposed to be included on-budget. These amounts are not identified by the controllability classification.

⁴ Includes —\$0.7 billion in 1986 from proposed legislation.

Table 19. BUDGET RECEIPTS BY SOURCE, 1976-86
(in millions of dollars)

Source	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Individual income taxes.....	131,603	157,626	180,988	217,841	244,069	285,917	297,744	288,938	296,206	329,677	358,889
Corporation income taxes.....	41,409	54,892	59,952	65,677	64,600	61,137	49,207	37,022	56,893	66,403	74,088
Social insurance taxes and contributions (trust funds):											
Employment taxes and contributions:											
Old-age and survivors insurance.....	58,703	68,032	73,141	83,410	96,581	117,757	122,840	128,972	152,444	172,741	186,490
Disability insurance.....	7,686	8,786	12,250	14,584	16,639	12,418	20,626	18,348	15,907	16,521	17,821
Hospital insurance.....	11,987	13,474	16,668	19,874	23,217	30,340	34,301	35,641	40,262	45,069	51,180
Railroad retirement.....	1,525	1,908	1,822	2,190	2,312	2,457	2,917	2,805	3,321	3,727	3,840
Total employment taxes and contributions.....	79,901	92,199	103,881	120,058	138,748	162,973	180,686	185,766	211,933	238,058	259,331
Unemployment insurance.....	8,054	11,312	13,850	15,387	15,336	15,763	16,600	18,799	25,138	25,586	25,309
Other retirement contributions:											
Federal employees' retirement—employee contri-											
butions.....	2,760	2,915	3,174	3,428	3,660	3,908	4,140	4,351	4,494	4,634	4,691
Contributions for non-Federal employees.....	54	59	62	66	59	76	72	78	86	89	105
Total other retirement contributions.....	2,814	2,974	3,237	3,494	3,719	3,984	4,212	4,429	4,580	4,723	4,797
Total social insurance taxes and contributions.....	90,769	106,485	120,967	138,939	157,803	182,720	201,498	208,994	241,651	268,367	289,436
Excise taxes:											
Federal funds:											
Alcohol.....	5,318	5,295	5,492	5,531	5,601	5,606	5,382	5,557	5,315	6,027	6,026
Tobacco.....	2,484	2,393	2,444	2,492	2,443	2,581	2,537	4,136	4,660	4,713	2,623
Windfall profit tax ¹					6,934	23,252	18,407	12,135	8,906	6,543	4,995
Other.....	2,810	1,960	2,118	1,785	585	2,689	2,344	2,258	3,398	2,421	2,644
Total Federal fund excise taxes.....	10,612	9,648	10,054	9,808	15,563	34,128	28,670	24,086	22,279	19,704	16,289

SUMMARY TABLES

9-47

Trust funds:	5,413	6,709	6,904	7,189	6,620	6,305	6,744	8,297	11,743	13,318	13,621
Highway.....	938	1,191	1,326	1,526	1,874	21	133	2,165	2,499	2,942	3,196
Airport and airway.....									12	136	145
Aquatic resources.....									518	576	822
Black lung disability insurance.....			92	222	272	237	491	494	29	40	51
Inland waterway.....						20	30	29	261	272	874
Hazardous substances response.....						128	244	230	9	7	
Post-closure liability trust fund.....											
Total trust fund excise taxes.....	6,351	7,900	8,323	8,937	8,766	6,711	7,642	11,214	15,082	17,291	18,709
Total excise taxes.....	16,963	17,548	18,376	18,745	24,329	40,839	36,311	35,300	37,361	36,995	34,998
Estate and gift taxes.....	5,216	7,327	5,285	5,411	6,389	6,787	7,991	6,053	6,010	5,603	5,345
Custom duties.....	4,074	5,150	6,753	7,439	7,174	8,083	8,854	8,655	11,370	11,809	12,342
Miscellaneous receipts:											
Deposit of earnings by Federal Reserve System.....	5,451	5,908	6,641	8,327	11,767	12,834	15,186	14,492	15,684	16,419	16,932
Other miscellaneous receipts.....	2,576	623	778	925	981	956	975	1,109	1,281	1,586	1,698
Total miscellaneous receipts ²	8,027	6,531	7,419	9,251	12,748	13,790	16,161	15,601	16,965	18,004	18,630
Total budget receipts.....	298,060	355,559	399,740	463,302	517,112	599,272	617,766	600,562	666,457	736,859	793,729
MEMORANDUM											
Federal funds.....	201,099	241,312	270,670	316,366	350,856	410,422	409,253	382,432	418,095	459,314	493,534
Trust funds ³	132,509	151,503	166,467	188,072	212,106	240,601	270,138	319,363	338,103	396,495	421,302
Interfund transactions ³	-35,548	-37,256	-37,397	-41,136	-45,850	-51,751	-61,625	-101,233	-89,740	-118,950	-121,107

¹ Net of refunds.² Includes both Federal and trust funds.³ Adjusted for the inclusion of transactions from entities that are off-budget under current law and proposed to be included on-budget.

Note: Excludes the transition quarter.

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 ¹
(In millions of dollars)

Function	Actual							Estimate			
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
050 NATIONAL DEFENSE:											
051 Department of Defense—Military:											
Military personnel.....	32,546	33,672	35,553	37,345	40,897	47,941	55,170	60,886	64,158	67,546	72,798
Operation and maintenance.....	27,837	30,587	33,578	36,424	44,770	51,864	59,674	64,915	67,369	74,569	79,648
Procurement.....	15,964	18,178	19,976	25,404	29,021	35,191	43,271	53,624	61,879	69,706	83,045
Research, development, test, and evaluation.....	8,923	9,795	10,508	11,152	13,127	15,278	17,729	20,554	23,117	27,786	33,988
Military construction.....	2,019	1,914	1,932	2,080	2,450	2,458	2,922	3,524	3,706	4,209	5,296
Family housing.....	1,192	1,358	1,405	1,468	1,680	1,721	1,993	2,126	2,413	2,658	2,805
Other ²	-402	-206	-602	-201	-969	-614	-18	-1,198	-1,801	-1,169	-74
(on-budget under current law).....	(-402)	(-206)	(-602)	(-201)	(-969)	(-614)	(-18)	(-1,199)	(-1,803)	(-174)	(-79)
(off-budget under current law).....								(1)	(2)	(5)	(5)
051 Subtotal, Department of Defense—Military.....	88,078	95,298	102,348	113,672	130,976	153,838	180,741	204,430	220,840	246,305	277,505
(on-budget under current law).....	(88,078)	(95,298)	(102,348)	(113,672)	(130,976)	(153,838)	(180,741)	(204,429)	(220,838)	(246,300)	(277,500)
(off-budget under current law).....								(1)	(2)	(5)	(5)
053 Atomic energy defense activities.....	1,565	1,936	2,070	2,541	2,878	3,398	4,309	5,171	6,120	6,991	7,700
054 Defense-related activities.....	-23	7	76	129	142	277	259	301	453	533	464
TOTAL, 050 NATIONAL DEFENSE.....	89,619	97,241	104,495	116,342	133,995	157,513	185,309	209,903	227,413	253,830	285,669
(on-budget under current law).....	(89,619)	(97,241)	(104,495)	(116,342)	(133,995)	(157,513)	(185,309)	(209,902)	(227,411)	(253,825)	(285,664)
(off-budget under current law).....								(1)	(2)	(5)	(5)
150 INTERNATIONAL AFFAIRS:											
151 Foreign economic and financial assistance.....											
(on-budget under current law).....	2,636	2,823	2,647	2,910	3,626	4,131	3,772	3,955	4,478	5,523	5,278
(off-budget under current law).....	(2,636)	(2,784)	(2,651)	(2,914)	(3,630)	(4,136)	(3,778)	(3,960)	(4,484)	(5,528)	(5,283)
(off-budget under current law).....		(39)	(-4)	(-4)	(-4)	(-5)	(-5)	(-5)	(-5)	(-5)	(-5)
152 International security assistance.....	2,683	3,075	3,926	3,655	4,763	5,095	5,416	6,613	7,924	10,177	9,213

SUMMARY TABLES

9-49

(on-budget under current law)	(1,896)	(1,666)	(2,464)	(2,362)	(2,831)	(3,150)	(3,128)	(3,755)	(5,106)	(7,837)	(8,931)
(off-budget under current law)	(787)	(1,409)	(1,462)	(1,293)	(1,932)	(1,945)	(2,288)	(2,858)	(2,818)	(2,340)	(282)
153 Conduct of foreign affairs	727	982	1,128	1,310	1,366	1,346	1,630	1,766	1,882	2,152	2,454
154 Foreign information and exchange activities	382	386	423	465	534	525	571	602	682	941	1,041
155 International financial programs	4	-913	-642	-881	2,425	2,007	911	-1,089	910	790	364
TOTAL, 150 INTERNATIONAL AFFAIRS	6,433	6,353	7,482	7,459	12,714	13,104	12,300	11,848	15,876	19,583	18,349
(on-budget under current law)	(5,645)	(4,905)	(6,025)	(6,171)	(10,786)	(11,164)	(10,016)	(8,995)	(13,063)	(17,248)	(18,073)
(off-budget under current law)	(787)	(1,448)	(1,458)	(1,289)	(1,928)	(1,940)	(2,283)	(2,852)	(2,812)	(2,335)	(277)
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY:											
251 General science and basic research	1,034	1,078	1,160	1,298	1,381	1,477	1,607	1,644	1,849	2,116	2,237
253 Space flight	2,000	2,252	2,260	2,217	2,594	3,053	3,543	4,053	4,028	3,914	4,004
254 Space, science, applications, and technology	980	1,006	972	1,153	1,346	1,384	1,457	1,486	1,687	1,890	2,144
255 Supporting space activities	358	400	534	567	512	555	593	751	754	819	900
(on-budget under current law)	(358)	(343)	(354)	(383)	(405)	(444)	(473)	(562)	(746)	(886)	(1,007)
(off-budget under current law)		(57)	(180)	(184)	(107)	(111)	(120)	(189)	(7)	(-67)	(-107)
TOTAL, 250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY	4,373	4,736	4,926	5,235	5,832	6,469	7,200	7,935	8,317	8,740	9,285
(on-budget under current law)	(4,373)	(4,679)	(4,746)	(5,051)	(5,725)	(6,358)	(7,080)	(7,745)	(8,310)	(8,807)	(9,392)
(off-budget under current law)		(57)	(180)	(184)	(107)	(111)	(120)	(189)	(7)	(-67)	(-107)
270 ENERGY:											
271 Energy supply	3,530	4,841	6,075	7,165	8,363	10,186	8,247	6,135	3,252	4,949	3,170
(on-budget under current law)	(2,457)	(3,225)	(3,920)	(4,848)	(4,520)	(5,297)	(3,084)	(2,421)	(1,032)	(1,374)	(593)
(off-budget under current law)	(1,072)	(1,616)	(2,155)	(2,317)	(3,843)	(4,889)	(5,162)	(3,714)	(2,219)	(3,575)	(2,576)
272 Energy conservation	51	143	221	252	569	730	516	477	527	545	381
(on-budget under current law)	(51)	(143)	(221)	(252)	(568)	(729)	(518)	(477)	(527)	(545)	(381)
(off-budget under current law)					(1)	(1)	(-2)				
274 Emergency energy preparedness	65	123	897	1,021	342	3,280	3,877	1,855	2,518	1,906	385
(on-budget under current law)	(65)	(123)	(897)	(1,021)	(342)	(3,280)	(191)	(215)	(189)	(276)	(236)

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86¹—Continued

(In millions of dollars)

Function	Actual							Estimate			
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
(off-budget under current law).....											
276 Energy information, policy, and regulation.....	558	664	798	742	882	971	887	886	790	764	736
											(148)
TOTAL, 270 ENERGY.....	4,204	5,770	7,992	9,180	10,156	15,166	13,527	9,353	7,086	8,164	4,671
(on-budget under current law).....	(3,131)	(4,154)	(5,837)	(6,863)	(6,312)	(10,277)	(4,680)	(3,999)	(2,538)	(2,959)	(1,946)
(off-budget under current law).....	(1,072)	(1,616)	(2,155)	(2,317)	(3,844)	(4,890)	(8,847)	(5,354)	(4,548)	(5,205)	(2,725)
300 NATURAL RESOURCES AND ENVIRONMENT:											
301 Water resources.....	2,742	3,213	3,431	3,853	4,223	4,132	3,948	3,904	4,068	4,293	3,566
302 Conservation and land management.....	615	589	1,029	821	1,043	1,191	1,084	1,503	1,302	979	719
303 Recreational resources.....	868	985	1,408	1,487	1,677	1,597	1,435	1,454	1,581	1,622	1,361
304 Pollution control and abatement.....	3,067	4,279	3,965	4,707	5,510	5,170	5,012	4,263	4,044	4,387	4,579
306 Other natural resources.....	891	966	1,151	1,266	1,405	1,478	1,519	1,548	1,595	1,744	1,660
TOTAL, 300 NATURAL RESOURCES AND ENVIRONMENT.....	8,184	10,032	10,983	12,135	13,858	13,568	12,998	12,672	12,591	13,024	11,884
350 AGRICULTURE:											
351 Farm income stabilization.....	2,249	5,735	10,228	9,895	7,441	9,783	14,344	21,323	11,877	18,344	10,937
(on-budget under current law).....	(1,574)	(4,485)	(6,588)	(4,850)	(3,459)	(3,993)	(13,289)	(20,628)	(10,467)	(17,169)	(12,021)
(off-budget under current law).....	(675)	(1,250)	(3,640)	(5,045)	(3,982)	(5,790)	(1,055)	(695)	(1,410)	(1,175)	(-1,084)
352 Agricultural research and services.....	921	1,052	1,129	1,340	1,398	1,540	1,599	1,578	1,736	1,821	1,691
TOTAL, 350 AGRICULTURE.....	3,170	6,787	11,357	11,236	8,839	11,323	15,944	22,901	13,613	20,165	12,629
(on-budget under current law).....	(2,495)	(5,537)	(7,717)	(6,191)	(4,857)	(5,533)	(14,889)	(22,206)	(12,203)	(18,990)	(13,713)
(off-budget under current law).....	(675)	(1,250)	(3,640)	(5,045)	(3,982)	(5,790)	(1,055)	(695)	(1,410)	(1,175)	(-1,084)

[illegible]

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 ¹—Continued
(In millions of dollars)

Function	Actual										Estimate	
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	
(off-budget under current law).....	(668)	(669)	(773)	(931)	(1,151)	(1,139)	(1,139)	(564)	(335)	(659)	(458)	
453 Disaster relief and insurance.....	522	649	2,871	1,611	2,043	1,680	— 102	— 1	119	326	— 84	
TOTAL, 450 COMMUNITY AND REGIONAL DEVELOPMENT.....	5,442	7,021	11,841	10,480	11,252	10,568	8,347	7,560	7,673	8,553	7,323	
(on-budget under current law).....	(4,767)	(6,348)	(11,072)	(9,544)	(10,072)	(9,395)	(7,166)	(6,936)	(7,307)	(7,852)	(6,841)	
(off-budget under current law).....	(675)	(674)	(769)	(936)	(1,180)	(1,173)	(1,181)	(624)	(366)	(701)	(482)	
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES:												
501 Elementary, secondary, and vocational education.....	4,200	4,638	5,186	6,123	6,908	7,157	6,780	6,294	6,520	7,661	7,670	
502 Higher education.....	2,823	3,209	3,721	5,058	6,726	8,866	7,206	7,231	7,383	8,506	7,959	
(on-budget under current law).....	(2,663)	(3,104)	(3,486)	(4,528)	(5,656)	(6,911)	(6,506)	(7,231)	(7,383)	(8,506)	(7,959)	
(off-budget under current law).....	(160)	(105)	(235)	(530)	(1,070)	(1,955)	(700)					
503 Research and general education aids.....	772	885	1,022	1,131	1,197	997	1,041	1,055	1,210	1,225	1,187	
504 Training and employment.....	6,288	6,877	10,784	10,833	10,345	9,241	5,464	5,295	4,644	5,298	4,931	
505 Other labor services.....	301	374	410	488	551	587	589	599	639	711	679	
506 Social services.....	4,526	5,122	5,588	6,592	6,116	6,861	5,950	6,33	7,185	7,032	6,863	
TOTAL, 500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES.....	18,910	21,104	26,710	30,223	31,843	33,709	27,029	26,606	27,579	30,434	29,288	
(on-budget under current law).....	(18,750)	(20,999)	(26,475)	(29,693)	(30,773)	(31,754)	(26,329)	(26,606)	(27,579)	(30,434)	(29,288)	
(off-budget under current law).....	(160)	(105)	(235)	(530)	(1,070)	(1,955)	(700)					
550 HEALTH:												
551 Health care services.....	11,725	13,031	13,928	15,988	18,003	21,205	21,786	23,008	24,522	27,244	28,202	

SUMMARY TABLES

9-53

(on-budget under current law) ...	(11,669)	(12,975)	(13,889)	(15,971)	(17,981)	(21,197)	(21,776)	(23,023)	(24,536)	(27,248)	(28,212)
(off-budget under current law) ...	(56)	(56)	(39)	(17)	(22)	(8)	(10)	(-14)	(-14)	(-4)	(-10)
552 Health research.....	2,341	2,543	2,822	3,023	3,442	3,836	3,948	3,973	4,379	4,961	5,204
553 Education and training of health care work force.....	982	981	930	583	719	779	670	578	388	478	455
554 Consumer and occupational health and safety.....	686	747	844	899	1,006	1,047	1,041	1,081	1,129	1,196	1,059
TOTAL, 550 HEALTH.....	15,734	17,302	18,524	20,494	23,169	26,866	27,445	28,641	30,417	33,879	34,920
(on-budget under current law) ...	(15,677)	(17,246)	(18,485)	(20,477)	(23,148)	(26,858)	(27,435)	(28,655)	(30,432)	(33,883)	(34,930)
(off-budget under current law) ...	(56)	(56)	(39)	(17)	(22)	(8)	(10)	(-14)	(-14)	(-4)	(-10)
570 SOCIAL SECURITY AND MEDICARE	73,903	85,068	93,861	104,073	118,548	139,585	155,964	170,724	178,223	191,107	202,245
571 Social security.....	15,834	19,345	22,768	26,495	32,090	39,149	46,567	52,588	57,540	66,256	67,158
572 Medicare.....	89,736	104,414	116,629	130,567	150,638	178,733	202,532	223,311	235,764	257,363	269,404
600 INCOME SECURITY:											
601 General retirement and disability insurance (excluding social security)	3,248	3,558	3,365	4,373	5,082	5,439	5,571	5,581	5,441	5,504	5,580
602 Federal employee retirement and disability.....	15,469	17,719	19,836	22,658	26,594	31,277	34,325	36,507	38,054	38,641	41,518
603 Unemployment compensation.....	19,452	15,255	11,767	10,741	18,023	19,656	23,728	31,464	18,421	16,780	16,294
604 Housing assistance.....	2,499	2,968	3,677	4,367	5,632	7,752	8,738	9,998	11,270	25,355	12,304
(on-budget under current law) ...	(2,499)	(2,968)	(3,677)	(4,367)	(5,514)	(6,942)	(8,043)	(9,556)	(11,158)	(25,387)	(12,339)
(off-budget under current law) ...					(119)	(810)	(696)	(443)	(112)	(-32)	(-35)
605 Food and nutrition assistance.....	7,959	8,527	8,926	10,787	14,016	16,205	15,581	17,952	18,055	18,664	18,268
609 Other income security.....	12,157	13,017	13,917	13,433	17,191	19,394	19,774	21,096	21,427	22,296	21,806
TOTAL, 600 INCOME SECURITY.....	60,784	61,044	61,488	66,359	86,539	99,723	107,717	122,598	112,668	127,240	115,769
(on-budget under current law) ...	(60,784)	(61,044)	(61,488)	(66,359)	(86,420)	(98,913)	(107,022)	(122,156)	(112,556)	(127,212)	(115,804)
(off-budget under current law) ...					(119)	(810)	(696)	(443)	(112)	(-32)	(-35)

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 :—Continued

(In millions of dollars)

Function	Actual							Estimate			
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
700 VETERANS BENEFITS AND SERVICES:											
701 Income security for veterans.....	8,350	9,216	9,745	10,780	11,688	12,909	13,710	14,250	14,400	14,754	15,135
702 Veterans education, training and rehabilitation.....	5,531	3,710	3,365	2,760	2,342	2,254	1,974	1,625	1,359	1,295	1,110
703 Hospital and medical care for veterans.....	4,046	4,708	5,254	5,611	6,515	6,965	7,517	8,272	8,861	9,621	9,994
704 Veterans housing.....	—72	—145	28	154	—23	201	102	3	244	358	—288
705 Other veterans benefits and services.....	578	549	585	627	665	662	682	696	751	823	817
TOTAL, 700 VETERANS BENEFITS AND SERVICES.....	18,433	18,038	18,978	19,931	21,185	22,991	23,958	24,846	25,614	26,850	26,769
750 ADMINISTRATION OF JUSTICE:											
751 Federal law enforcement activities.....	1,498	1,673	1,831	1,992	2,237	2,437	2,529	2,887	3,205	3,681	3,610
752 Federal litigative and judicial activities.....	697	842	943	1,130	1,347	1,491	1,517	1,627	1,825	2,192	2,066
753 Federal correctional activities.....	208	240	307	337	342	361	364	418	494	580	632
754 Criminal justice assistance.....	921	847	729	710	656	473	294	167	136	233	280
TOTAL, 750 ADMINISTRATION OF JUSTICE.....	3,324	3,602	3,810	4,169	4,582	4,762	4,703	5,099	5,660	6,686	6,587
800 GENERAL GOVERNMENT:											
801 Legislative functions.....	678	849	909	921	1,038	1,041	1,181	1,196	1,319	1,464	1,417
802 Executive direction and management.....	68	76	73	81	97	100	96	96	97	119	112
803 Central fiscal operations.....	1,511	1,875	2,001	2,174	2,614	2,616	2,593	3,053	3,254	3,533	3,105
(on-budget under current law).....	(1,778)	(1,761)	(2,082)	(2,284)	(2,465)	(2,537)	(2,606)	(3,045)	(3,313)	(3,533)	(3,105)

[illegible]

Table 20. BUDGET OUTLAYS BY FUNCTION AND SUBFUNCTION, 1976-86 ¹—Continued
(In millions of dollars)

Function	Actual										Estimate	
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	
928 Contingencies for: Relatively uncontrollable pro- grams Other requirements.....										1,125	375	
TOTAL, 920 ALLOWANCES										1,131	399	
950 UNDISTRIBUTED OFFSETTING RECEIPTS:												
951 Employer share, employee retire- ment.....	-11,724	-12,505	-13,461	-14,209	-15,842	-17,903	-19,849	-23,484	-25,263	-26,994	-28,961	
953 Rents and royalties on the Outer Continental Shelf.....	-2,662	-2,374	-2,259	-3,267	-4,101	-10,138	-6,250	-10,491	-6,694	-5,302	-7,317	
954 Sale of Conrail.....											-1,200	
TOTAL, 950 UNDISTRIBUTED OFF- SETTING RECEIPTS	-14,386	-14,879	-15,720	-17,476	-19,942	-28,041	-26,099	-33,976	-31,957	-32,296	-37,478	
TOTAL BUDGET OUTLAYS	371,779	409,203	458,729	503,464	590,920	678,209	745,706	808,327	851,781	959,085	973,725	
(On-budget current law).....	(364,473)	(400,504)	(448,370)	(490,997)	(576,675)	(657,204)	(728,375)	(795,969)	(841,815)	(946,626)	(972,224)	
(Off-budget current law).....	(7,307)	(8,700)	(10,359)	(12,467)	(14,245)	(21,005)	(17,331)	(12,357)	(9,966)	(12,459)	(1,501)	
MEMORANDUM												
Federal Funds.....	277,228	304,459	342,355	374,867	433,468	496,182	543,437	613,277	636,324	731,630	734,931	
Trust Funds.....	130,099	142,000	153,771	169,733	203,302	233,778	263,894	296,282	305,198	346,405	359,901	
Interfund transactions.....	-35,548	-37,256	-37,397	-41,136	-45,850	-51,751	-61,625	-101,233	-89,740	-118,950	-121,107	

¹\$500 thousand or less.

²Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for previous years are shown on a comparable basis.

³Includes allowances for military pay raises for Department of Defense.

⁴Allowance for military pay raise for the Coast Guard.

Note.—All entries labeled "off-budget under current law" are proposed to be included on budget. Excludes the transition quarter.

Table 21. FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, 1975-86
(In billions of dollars)

Description	Actual										Estimate	
	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
RECEIPTS, NATIONAL INCOME BASIS												
Personal tax and nontax receipts.....	127.5	137.2	165.3	186.5	222.6	250.4	289.4	311.4	294.1	303.2	340.6	368.8
Corporate profits tax accruals.....	41.8	52.5	58.9	67.3	76.1	69.9	69.3	50.9	53.8	70.1	75.7	93.1
Indirect business tax and nontax accruals.....	22.2	24.3	24.5	27.2	29.1	35.5	53.5	50.3	51.0	55.2	56.1	57.1
Contributions for social insurance.....	91.9	101.0	116.2	133.3	153.1	170.0	197.0	213.9	228.3	259.1	286.1	307.6
Total receipts, national income basis.....	283.4	314.9	365.9	414.3	480.8	525.9	609.2	626.4	627.1	687.6	758.5	826.6
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services.....	117.9	125.1	139.8	150.4	164.1	189.3	218.4	250.6	273.2	285.2	326.8	354.9
Defense.....	(80.2)	(84.4)	(91.3)	(97.8)	(108.2)	(126.0)	(147.0)	(173.0)	(196.7)	(215.4)	(241.5)	(271.7)
Nonddefense.....	(37.7)	(40.7)	(48.4)	(52.6)	(55.9)	(63.3)	(71.4)	(77.6)	(76.5)	(69.8)	(85.3)	(83.2)
Transfer payments.....	134.5	156.8	169.8	182.2	201.8	239.4	279.5	310.6	344.6	348.4	371.2	387.5
Domestic ("to persons").....	(131.4)	(153.8)	(166.6)	(178.7)	(197.8)	(234.6)	(273.7)	(304.5)	(338.3)	(340.7)	(361.0)	(377.6)
Foreign.....	(3.1)	(3.0)	(3.2)	(3.5)	(4.1)	(4.8)	(5.7)	(6.1)	(6.3)	(7.7)	(10.2)	(9.9)
Grants-in-aid to State and local governments.....	48.4	57.5	66.3	74.7	79.1	86.7	90.1	83.4	85.7	90.8	100.0	96.1
Net interest paid.....	21.7	25.2	28.4	33.5	40.6	50.7	67.7	82.3	90.3	109.7	129.6	142.8
Subsidies less current surplus of Government enterprises.....	6.0	6.2	6.9	9.7	9.9	10.4	12.5	13.0	22.2	23.9	20.8	11.4
Wage disbursements less accruals.....	.4	.....	.....	—*	*	.....	—.	*	.4	—.	.1	.....
Total expenditures, national income basis.....	328.8	370.7	411.2	450.4	495.6	576.5	668.2	740.0	816.4	857.9	948.5	992.7
Excess of receipts (+) or expenditures (—), national income basis.....	—45.4	—55.8	—45.2	—36.1	—14.8	—50.7	—58.9	—113.6	—189.3	—170.3	—190.0	—166.1

*\$50 million or less. Note.—Excludes the transition quarter.

Table 22. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1967-88

(Dollar amounts in billions)

Fiscal year	Gross national product	Budget receipts		Outlays						Surplus or deficit (—)				Federal debt, end of year					
		Amount	Percent of GNP	Total		On-budget under current law		Off-budget under current law ¹		Total		On-budget under current law ²		Total		Amount	Percent of GNP	Held by the public	Percent of GNP
				Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP						
1967	777.3	148.8	19.1	157.5	20.3	157.5	20.3			-8.6	1.1	-8.6	1.1	341.3	43.9	267.5	34.4		
1968	831.3	153.0	18.4	178.1	21.4	178.1	21.4			-25.2	3.0	-25.2	3.0	369.8	44.5	290.6	35.0		
1969	910.6	186.9	20.5	183.6	20.2	183.6	20.2			3.2	.4	3.2	.4	367.1	40.3	279.5	30.7		
1970	968.8	192.8	19.9	195.6	20.2	195.6	20.2			-2.8	.3	-2.8	.3	382.6	39.5	284.9	29.4		
1971	1,031.5	187.1	18.1	210.2	20.4	210.2	20.4			-23.0	2.2	-23.0	2.2	409.5	39.7	304.3	29.5		
1972	1,128.8	207.3	18.4	230.7	20.4	230.7	20.4			-23.4	2.1	-23.4	2.1	437.3	38.7	323.8	28.7		
1973	1,252.0	230.8	18.4	245.7	19.6	245.6	19.6		*	-14.9	1.2	-14.8	1.2	468.4	37.4	343.0	27.0		
1974	1,379.4	263.2	19.1	269.4	19.5	267.9	19.4	1.4	.1	-6.1	.4	-4.7	.3	486.2	35.3	346.1	25.1		
1975	1,479.9	279.1	18.9	332.3	22.5	324.2	21.9	8.1	.5	-53.2	3.6	-45.2	3.1	544.1	36.8	396.9	26.8		
1976	1,640.1	298.1	18.2	371.8	22.7	364.5	22.2	7.3	.4	-73.7	4.5	-66.4	4.0	631.9	38.5	480.3	29.3		
1977	1,862.8	355.6	19.1	409.2	22.0	400.5	21.5	8.7	.5	-53.6	2.9	-44.9	2.4	709.1	38.1	551.8	29.6		
1978	2,091.3	399.7	19.1	458.7	21.9	448.4	21.4	10.4	.5	-59.0	2.8	-48.6	2.3	780.4	37.3	610.9	29.2		
1979	2,357.7	463.3	19.7	503.5	21.4	491.0	20.8	12.5	.5	-40.2	1.7	-27.7	1.2	833.8	35.4	644.6	27.3		
1980	2,575.8	517.1	20.1	590.9	22.9	576.7	22.4	14.2	.6	-73.8	2.9	-59.6	2.3	914.3	35.5	715.1	27.8		
1981	2,885.9	599.3	20.8	678.2	23.5	657.2	22.8	21.0	.7	-78.9	2.7	-57.9	2.0	1,003.9	34.8	794.4	27.5		
1982	3,046.0	617.8	20.3	745.7	24.5	728.4	23.9	17.3	.6	-127.9	4.2	-110.7	3.6	1,147.0	37.7	929.4	30.5		
1983	3,221.4	600.6	18.6	808.3	25.1	796.0	24.7	12.4	.4	-207.8	6.4	-195.4	6.1	1,381.9	42.9	1,141.8	35.4		
1984	3,581.0	666.5	18.6	851.8	23.8	841.8	23.5	10.0	.3	-185.3	5.2	-175.4	4.9	1,576.7	44.0	1,312.6	36.7		
1985 estimate	3,868.5	736.9	19.0	959.1	24.8	946.6	24.5	12.5	.3	-222.2	5.7	-209.8	5.4	1,841.1	47.6	1,514.0	39.1		
1986 estimate	4,198.5	793.7	18.9	973.7	23.2	972.2	23.2	1.5	*	-180.0	4.3	-178.5	4.3	2,074.2	49.4	1,686.6	40.2		
1987 estimate	4,550.9	861.7	18.9	1,026.6	22.6	1,029.9	22.6	-3.2	-1	-164.9	3.6	-168.2	3.7	2,308.3	50.7	1,850.8	40.7		
1988 estimate	4,921.7	950.4	19.3	1,094.8	22.2	1,099.1	22.3	-4.3	-1	-144.4	2.9	-148.7	3.0	2,546.4	51.7	1,994.4	40.5		

*0.05% or less.

¹Proposed to be included on-budget.²The off-budget deficits under current law are equal to the off-budget outlays under current law but with the opposite sign.

Table 23. COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1966-88 ¹
(in billions of dollars)

Fiscal year	Current prices						Constant (fiscal year 1972) prices								
	Total budget outlays	National defense	Nondefense				Total budget outlays	National defense	Nondefense						
			Total non-defense	Payments for individuals	All other grants ²	Net interest			Other	Undistrib-uted offsetting receipts	Total non-defense	Payments for individuals	All other grants ²	Net interest	Other	Undistrib-uted offsetting receipts
1966	134.5	58.1	76.4	36.8	8.6	9.4	28.2	-6.5	183.0	81.3	101.7	46.3	12.4	40.3	-9.5
1967	157.5	71.4	86.0	42.9	10.4	10.3	29.7	-7.3	207.6	96.8	110.8	52.5	14.4	41.3	-10.3
1968	178.1	81.9	96.2	49.5	12.5	11.1	31.1	-8.0	224.7	105.7	119.0	58.7	16.4	41.2	-10.8
1969	183.6	82.5	101.1	57.1	13.0	12.7	26.3	-8.0	220.3	101.6	118.7	65.0	16.0	33.1	-10.1
1970	195.6	81.7	114.0	64.6	15.4	14.4	28.1	-8.6	220.3	94.0	126.3	70.2	17.7	32.8	-10.1
1971	210.2	78.9	131.3	80.4	17.7	14.8	28.5	-10.1	222.7	84.9	137.8	83.5	18.8	30.9	-11.0
1972	230.7	79.2	151.5	92.9	20.6	15.5	32.2	-9.6	230.7	79.2	151.5	92.9	20.6	32.2	-9.6
1973	245.7	76.7	169.0	104.5	28.1	17.3	32.5	-13.4	233.3	71.8	161.4	100.3	26.5	30.4	-12.5
1974	269.4	79.3	190.0	120.1	28.7	21.4	36.5	-16.7	238.0	69.6	168.5	106.7	24.9	32.6	-14.8
1975	332.3	86.5	245.8	153.5	33.3	23.2	49.4	-13.6	266.4	69.2	197.2	124.3	25.8	38.9	-10.7
1976	371.8	89.6	282.2	180.1	39.4	26.7	50.4	-14.4	279.5	67.0	212.5	137.5	28.4	36.9	-10.6
1977	409.2	97.2	312.0	196.3	46.1	29.9	54.5	-14.9	286.3	67.3	219.0	140.4	30.8	36.6	-10.0
1978	458.7	104.5	354.2	210.9	53.7	35.4	69.9	-15.7	300.2	67.2	233.0	141.7	33.1	44.6	-10.0
1979	503.5	116.3	387.1	232.8	55.9	42.6	73.2	-17.5	304.4	69.5	234.9	144.0	31.4	43.9	-10.5
1980	590.9	134.0	456.9	277.4	59.4	52.5	87.5	-19.9	324.4	71.3	253.1	156.1	30.2	48.5	-11.1
1981	678.2	157.5	520.7	323.4	57.8	68.7	98.9	-28.0	337.1	74.6	262.5	166.4	27.0	47.4	-13.5
1982	745.7	185.3	560.4	356.7	50.3	85.0	94.6	-26.1	346.1	80.2	266.0	172.2	22.1	40.6	-11.9
1983	808.3	209.9	598.4	395.3	50.8	89.8	96.5	-34.0	360.1	86.5	273.6	183.2	21.3	41.3	-15.1
1984	851.8	227.4	624.4	399.8	53.2	111.1	92.2	-32.0	366.3	90.0	276.2	179.6	21.3	40.0	-13.9
1985 estimate	959.1	253.8	705.3	427.3	59.0	130.4	120.7	-32.3	397.0	96.8	300.2	185.5	22.6	55.7	-13.2
1986 estimate	973.7	285.7	688.1	442.7	53.6	142.6	85.4	-36.3	386.5	104.7	281.9	184.2	19.7	58.4	-14.5
1987 estimate	1,026.6	321.2	705.5	467.4	50.2	152.9	73.6	-38.7	390.3	112.7	277.6	186.5	17.6	60.0	-14.8
1988 estimate	1,094.8	358.4	736.4	497.4	49.5	159.2	69.3	-39.0	399.1	120.3	278.8	190.9	16.7	60.1	-14.3

Note: Beginning in 1985, the budget reflects establishment of a military retirement trust fund. Amounts for previous years are shown on a comparable basis.

¹ Includes outlays that are off-budget under current law and proposed to be included on-budget.

² Grants to State and local governments excluding those for payments for individuals.

Table 24. BUDGET RECEIPTS AND OUTLAYS, 1789-1990 ¹ (in millions of dollars)

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (—)
1789-1849 ...	1,160	1,090	+ 70
1850-1900 ...	14,462	15,453	- 991
1901-1905 ...	2,797	2,678	+ 119
1906-1910 ...	3,143	3,196	- 52
1911-1915 ...	3,517	3,568	- 49
1916-1920 ...	17,286	40,195	- 22,909
1921-1925 ...	20,962	17,323	+ 3,639
1926.....	3,795	2,930	+ 865
1927.....	4,013	2,857	+ 1,155
1928.....	3,900	2,961	+ 939
1929.....	3,862	3,127	+ 734
1930.....	4,058	3,320	+ 738
1931.....	3,116	3,577	- 462
1932.....	1,924	4,659	- 2,735
1933.....	1,997	4,598	- 2,602
1934.....	3,015	6,645	- 3,630
1935.....	3,706	6,497	- 2,791
1936.....	3,997	8,422	- 4,425
1937.....	4,956	7,733	- 2,777
1938.....	5,588	6,765	- 1,177
1939.....	4,979	8,841	- 3,862
1940.....	6,548	9,468	- 2,920
1941.....	8,712	13,653	- 4,941
1942.....	14,634	35,137	- 20,503
1943.....	24,001	78,555	- 54,554
1944.....	43,747	91,304	- 47,557
1945.....	45,159	92,712	- 47,553
1946.....	39,296	55,232	- 15,936
1947.....	38,514	34,496	+ 4,018
1948.....	41,560	29,764	+ 11,796
1949.....	39,415	38,835	+ 580
1950.....	39,443	42,562	- 3,119
1951.....	51,616	45,514	+ 6,102
1952.....	66,167	67,686	- 1,519
1953.....	69,608	76,101	- 6,493
1954.....	69,701	70,855	- 1,154
1955.....	65,451	68,444	- 2,993
1956.....	74,587	70,640	+ 3,947
1957.....	79,990	76,578	+ 3,412
1958.....	79,636	82,405	- 2,769
1959.....	79,249	92,098	- 12,849
1960.....	92,492	92,245	+ 247
1961.....	94,388	97,723	- 3,335
1962.....	99,676	106,821	- 7,146
1963.....	106,560	111,316	- 4,756
1964.....	112,613	118,528	- 5,915
1965.....	116,817	118,228	- 1,411
1966.....	130,835	134,532	- 3,698
1967.....	148,822	157,464	- 8,643

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (—)
1968.....	152,973	178,134	- 25,161
1969.....	186,882	183,640	+ 3,242
1970.....	192,812	195,649	- 2,837
1971.....	187,139	210,172	- 23,033
1972.....	207,309	230,681	- 23,373
1973.....	230,799	245,707	- 14,908
1974.....	263,224	269,359	- 6,135
1975.....	279,090	332,332	- 53,242
1976.....	298,060	371,779	- 73,719
TQ.....	81,232	95,973	- 14,741
1977.....	355,559	409,203	- 53,644
1978.....	399,740	458,729	- 58,989
1979.....	463,302	503,464	- 40,161
1980.....	517,112	590,920	- 73,808
1981.....	599,272	678,209	- 78,936
1982.....	617,766	745,706	- 127,940
1983.....	600,562	808,327	- 207,764
1984.....	666,457	851,781	- 185,324
1985 est.....	736,859	959,085	- 222,226
1986 est.....	793,729	973,725	- 179,996
1987 est.....	861,676	1,026,625	- 164,949
1988 est.....	950,376	1,094,761	- 144,385
1989 est.....	1,029,934	1,137,390	- 107,456
1990 est.....	1,107,673	1,190,030	- 82,357

Memorandum: Components of the Budget

Fiscal year	Off-budget under current law	On-budget under current law	Surplus or deficit (—)
1973.....	60	245,647	- 14,849
1974.....	1,447	267,912	- 4,688
1975.....	8,088	324,245	- 45,154
1976.....	7,307	364,473	- 66,412
TQ.....	1,785	94,187	- 12,956
1977.....	8,700	400,504	- 44,945
1978.....	10,359	448,370	- 48,630
1979.....	12,467	490,997	- 27,694
1980.....	14,245	576,675	- 59,563
1981.....	21,005	657,204	- 57,932
1982.....	17,331	728,735	- 110,609
1983.....	12,357	795,969	- 195,407
1984.....	9,966	841,815	- 175,358
1985 est.....	12,459	946,626	- 209,767
1986 est.....	1,501	972,224	- 178,495
1987 est.....	- 3,240	1,029,865	- 168,189
1988 est.....	- 4,334	1,099,095	- 148,719
1989 est.....	- 5,307	1,142,698	- 112,764
1990 est.....	- 6,764	1,196,795	- 89,122

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Federal Funds

General and special funds:

OFFICE OF THE SECRETARY*

* See Part II for additional information.

For necessary expenses of the Office of the Secretary of Agriculture, including not to exceed \$75,000 for employment under 5 U.S.C. 3109, **[\$5,240,000]** \$4,659,000: *Provided*, That not to exceed \$8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary. (7 U.S.C. 2201-2202.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0115-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Office of the Secretary and Deputy Secretary	1,650	1,752	1,494
00.02	Under/Assistant Secretaries	3,443	3,617	3,165
00.91	Total direct program	5,093	5,369	4,659
01.01	Reimbursable program	1,159	1,522	1,588
10.00	Total obligations	6,252	6,891	6,247
Financing:				
11.00	Offsetting collections from: Federal funds ..	-1,159	-1,522	-1,588
25.00	Unobligated balance lapsing	2		
39.00	Budget authority	5,095	5,369	4,659
Budget authority:				
40.00	Appropriation	5,095	5,240	4,659
44.20	Supplemental for civilian pay raises		129	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	5,093	5,369	4,659
72.10	Receivables in excess of obligations, start of year	-1,439	-571	-568
74.10	Receivables in excess of obligations, end of year	571	568	568
77.00	Adjustments in expired accounts	287		
90.00	Outlays, excluding pay raise supplemental	4,512	5,240	4,656
91.20	Outlays from civilian pay raise supplemental		126	3

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	5,095	5,369	4,659
Outlays	4,512	5,366	4,659
Rescission proposal:			
Budget authority		-114	
Outlays		-114	
Total			
Budget authority	5,095	5,255	4,659
Outlays	4,512	5,252	4,659

The Office of the Secretary covers the overall planning, coordination, and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs, who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The 1986 estimate includes savings from administrative and management reductions and other cost reductions as part of the President's program to reduce the Federal deficit.

Object Classification (in thousands of dollars)

Identification code	12-0115-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	3,524	3,709	3,301
11.5	Other personnel compensation	45	41	39
11.9	Total personnel compensation	3,569	3,750	3,340
12.1	Personnel benefits: Civilian	361	435	390
21.0	Travel and transportation of persons	156	300	231
22.0	Transportation of things	2	2	2
23.2	Communications, utilities, and other rent	461	344	266
24.0	Printing and reproduction	241	192	147
25.0	Other services	172	263	208
26.0	Supplies and materials	71	70	62
31.0	Equipment	60	13	12
99.0	Subtotal, direct obligations	5,093	5,369	4,659
99.0	Reimbursable obligations	1,159	1,522	1,588
99.9	Total obligations	6,252	6,891	6,247

Personnel Summary

Total number of full-time permanent positions	104	104	101
Total compensable workyears:			
Full-time equivalent employment	95	95	92
Full-time equivalent of overtime and holiday hours	1	1	1

Trust Funds

GIFTS AND BEQUESTS

Program and Financing (in thousands of dollars)

Identification code	12-8203-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 25.0)	98	53	
Financing:				
21.40	Unobligated balance available, start of year		-53	
24.40	Unobligated balance available, end of year ..	53		
60.00	Budget authority (appropriation) (permanent, indefinite)	150		
Relation of obligations to outlays:				
71.00	Obligations incurred, net	98	53	
72.40	Obligated balance start of year		90	71

General and special funds—Continued

GIFTS AND BEQUESTS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-8203-0-7-352	1984 actual	1985 est.	1986 est.
74.40	Obligated balance, end of year.....	-90	-71	
90.00	Outlays.....	8	72	71

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269.)

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION*

*See Part II for additional information.

For Budget and Program Analysis, **[\$3,767,000]** *\$3,379,000*; for Personnel, Finance and Management, Operations, Information Resources Management, Equal Opportunity, Small and Disadvantaged Business Utilization, and Administrative Law Judges and Judicial Officer, **[\$14,930,000]** *\$13,397,000*; making a total of **[\$18,697,000]** *\$16,776,000* for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558. (5 U.S.C. 5901; 7 U.S.C. 2201, 2202, 2231, 2235; 42 U.S.C. 200d.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0120-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Budget and program analysis.....	3,641	3,812	3,379
00.02	Personnel.....	2,546	2,860	2,588
00.03	Finance and management.....	2,453	2,555	2,248
00.04	Operations.....	2,621	2,452	2,071
00.05	Information resources management.....	3,942	4,215	3,566
00.06	Equal opportunity.....	1,998	2,172	1,808
00.07	Small and disadvantaged business utilization.....		330	268
00.08	Administrative law judges and judicial officer.....	733	777	848
00.91	Total direct program.....	18,245	19,173	16,776
01.01	Reimbursable program.....	8,228	25,749	27,207
10.00	Total obligations.....	26,473	44,922	43,983
Financing:				
11.00	Offsetting collections from: Federal funds...	-8,227	-25,749	-27,207
25.00	Unobligated balance lapsing.....	37		
39.00	Budget authority	18,282	19,173	16,776
Budget authority:				
40.00	Appropriation.....	18,282	18,697	16,776
42.00	Transferred from other accounts.....		176	

43.00	Appropriation (adjusted).....	18,282	18,873	16,776
44.10	Supplemental for wage-board pay raises.....		5	
44.20	Supplemental for civilian pay raises.....		295	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	18,245	19,173	16,776
72.40	Obligated balance, start of year.....	1,383	4,224	4,224
74.40	Obligated balance, end of year.....	-4,224	-4,224	-4,224
77.00	Adjustments in expired accounts.....	403		
90.00	Outlays, excluding pay raise supplemental.....	15,806	18,878	16,771
91.10	Outlays from wage-board pay raise supplemental.....		5	
91.20	Outlays from civilian pay raise supplemental.....		290	5

Note.—Includes \$176 thousand in 1985 and \$213 thousand in 1986 for activities previously financed from the Office of the Inspector General. The comparable amount for 1984 is \$119 thousand.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	18,282	19,173	16,776
Outlays.....	15,806	19,173	16,776
Rescission proposal:			
Budget authority.....		-149	
Outlays.....		-149	
Total:			
Budget authority.....	18,282	19,024	16,776
Outlays.....	15,806	19,024	16,776

Budget and program analysis.—This activity provides direction and administration of the Department's budgetary functions including development, presentation, execution, control, reporting and adjusting fund and manpower resources; evaluates program and legislative proposals for program, budget and related resource implications; develops and maintains a mission-oriented program structure which defines Department missions, goals and objectives for the purpose of establishing long- and short-range program planning and to aid the Secretary and other departmental and agency officials in making management decisions regarding the Department's programs and resources. Analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid departmental policy officials and agency program managers in the decisionmaking process.

Personnel.—This activity provides general liaison, direction, leadership coordination and monitoring of the personnel management program in the Department. Department policies and procedures relating to all personnel functions are promulgated, and operational services are provided to the Office of the Secretary, Office of the General Counsel, Office of Governmental and Public Affairs, Office of Budget and Program Analysis, and those agencies under Departmental administration reporting to the Assistant Secretary for Administration.

Finance and management.—This activity provides departmental leadership, development and evaluation of programs in finance, accounting, Federal assistance, occupational safety and health, productivity and management improvements. The Director serves as the Department's finance officer, management improvement officer and comptroller of the Working Capital Fund. Fi-

nance and Management also provides budget, accounting and fiscal services for the departmental staff offices, Office of the General Counsel, Office of Governmental and Public Affairs, and the Office of the Secretary.

Operations.—This activity provides staff and support services in the management of real and personal property, procurement, contracts, supplies, motor vehicles and internal energy conservation to the USDA agencies, including those in the Washington, D.C., complex.

Information resources management.—This activity designs, implements and revises systems, processes, work methods and techniques to improve the management of information resources and the operational effectiveness of USDA. The Director serves as the Department's clearance officer for statistical reporting and information collection. This activity also provides telecommunications and ADP services to USDA agencies and staff offices, including the Washington Computer Center, Fort Collins Computer Center, St. Louis Computer Center and Kansas City Computer Center.

Equal opportunity.—This activity provides leadership, direction and coordination for the Department's programs for civil rights, which include program delivery, compliance and equal employment opportunity.

Small and disadvantaged business utilization.—This activity provides the maximum opportunities for small business concerns, especially those owned and controlled by socially and economically disadvantaged individuals, to participate in the Department's procurement activities.

Administrative law judges and judicial officer.—The administrative law judges hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on some petitions filed by private parties asking relief from some action of the Department. Final administrative decisions in regulatory proceedings are rendered by the Judicial Officer.

Object Classification (in thousands of dollars)

Identification code	12-0120-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	12,378	14,276	12,569
11.3	Other than full-time permanent	78	84	84
11.5	Other personnel compensation	121	121	114
11.9	Total personnel compensation	12,577	14,481	12,767
12.1	Personnel benefits: Civilian	1,390	1,583	1,398
13.0	Benefits for former personnel	42	10	9
21.0	Travel and transportation of persons	215	234	167
22.0	Transportation of things	45	3	3
23.2	Communications, utilities, and other rent	657	573	498
24.0	Printing and reproduction	302	326	195
25.0	Other services	1,871	1,635	1,449
26.0	Supplies and materials	357	203	184
31.0	Equipment	789	125	106
99.0	Subtotal, direct obligations	18,245	19,173	16,776
99.0	Reimbursable obligations	8,228	25,749	27,207
99.9	Total obligations	26,473	44,922	43,983

Personnel Summary

Total number of full-time permanent positions	544	565	565
Total compensable workyears:			
Full-time equivalent employment	503	600	554
Full-time equivalent of overtime and holiday hours	10	10	10

STANDARD LEVEL USER CHARGES (USDA)

For payment of Standard Level User Charges pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, **[\$67,254,000] \$77,300,000**. *Provided*, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for Standard Level User Charges to or from this account: *Provided further*, That \$17,800,000 of the amount appropriated shall be available to the Department for the operation, maintenance, and repair of the Washington, D.C. Agriculture building complex pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486. (7 U.S.C. 2201, 2202, 2208.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0117-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Standard level user charges	60,754	53,454	59,500
00.02	Building operations and maintenance		13,800	17,800
10.00	Total obligations	60,754	67,254	77,300
Financing:				
25.00	Unobligated balance, lapsing	3,516		
40.00	Budget authority (appropriation) ..	64,270	67,254	77,300
Relation of obligations to outlays:				
71.00	Obligations incurred, net	60,754	67,254	77,300
72.10	Receivables in excess of obligations, start of year	—1,730		
72.40	Obligated balance, start of year		3,041	3,041
74.40	Obligated balance, end of year	—3,041	—3,041	—3,041
77.00	Adjustments in expired accounts	153		
90.00	Outlays	56,136	67,254	77,300

This annual account finances the General Services Administration's fees known as "Standard Level User Charges" or "SLUC" for rental of space and related services. The appropriation covers all SLUC fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service.

This account also finances the operation and maintenance of the Department's five-building D.C. Complex. The functional responsibility for operation and maintenance of these buildings was delegated to USDA from GSA on October 1, 1984.

Object Classification (in thousands of dollars)

Identification code	12-0117-0-1-352	1984 actual	1985 est.	1986 est.
23.1	Standard level user charges	57,713	67,254	59,500
25.0	Other services	3,041		17,800
99.9	Total obligations	60,754	67,254	77,300

General and special funds—Continued

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of Advisory Committees of the Department of Agriculture which are included in this Act, **[\$1,385,000] \$1,323,000: Provided,** That no other funds in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees. (7 U.S.C. 2233.)

Note—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0118-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....	1,021	1,385	1,323
Financing:				
25.00	Unobligated balance lapsing.....	377		
40.00	Budget authority (appropriation) ..	1,398	1,385	1,323
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	1,021	1,385	1,323
72.40	Obligated balance, start of year.....	484	215	215
74.40	Obligated balance, end of year.....	-215	-215	-215
77.00	Adjustments in expired accounts.....	-341		
90.00	Outlays.....	949	1,385	1,323

Advisory committees.—The Federal Advisory Committee Act (Public Law 92-463) was passed in 1972 to recognize a means by which committees and similar groups provide expert advice to officers of the Federal Government. This account provides for direction and financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by other than appropriated funds.

Object Classification (in thousands of dollars)

Identification code	12-0118-0-1-352	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent.....	366	626	595
12.1	Personnel benefits: Civilian.....	24	68	64
21.0	Travel and transportation of persons.....	165	520	497
22.0	Transportation of things.....	2	4	4
23.2	Communications, utilities and other rent.....	1	7	7
24.0	Printing and reproduction.....	10	29	29
25.0	Other services.....	447	103	99
26.0	Supplies and materials.....	5	25	25
31.0	Equipment.....		3	3
99.9	Total obligations.....	1,021	1,385	1,323

Personnel Summary

Total compensable workyears: Full-time equivalent employment.....	14	14	14
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Intragovernmental funds:

WORKING CAPITAL FUND

An amount of \$6,000,000 is hereby appropriated to the Departmental Working Capital Fund to increase the Government's equity in this fund and to provide for the purchase of automated data processing, data communication, and other related equipment necessary for the provision of Departmental centralized services to the agencies. (7 U.S.C. 2235.)

Note.—A regular 1985 appropriation for this account has not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the

extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-4609-0-4-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Operating expenses:				
00.01	Supply and other central services.....	5,650	5,858	5,801
00.02	Reproduction services.....	4,596	3,954	3,584
00.03	Video and film, photographic, and other visual information services.....	3,137	3,589	3,565
00.04	National Finance Center: Cost of services.....	40,203	43,986	45,716
00.05	ADP systems: Cost of services.....	34,883	40,537	41,683
00.91	Total operating expenses.....	88,469	97,924	100,349
Purchase of equipment:				
01.01	Supply and other central services.....	40	25	
01.02	Reproduction services.....	6	159	225
01.03	Video and film, photographic and other visual information services.....	98	131	152
01.04	National Finance Center.....	983	5,838	2,497
01.05	ADP systems.....	3,680	3,434	10,070
01.91	Total purchase of equipment.....	4,807	9,587	12,944
10.00	Total obligations.....	93,276	107,511	113,293
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-90,207	-101,035	-106,799
14.00	Non-Federal sources.....	-415	-476	-494
17.00	Recovery of prior year obligations.....	2,101		
21.98	Unobligated balance available, start of year: Fund balance.....	-9,388	-4,633	-4,633
24.98	Unobligated balance available, end of year: Fund balance.....	4,633	4,633	4,633
40.00	Budget authority (appropriation) ..		6,000	6,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	2,654	6,000	6,000
72.10	Receivables in excess of obligations, start of year.....	-1,415		
72.98	Obligated balance, start of year: Fund balance.....		5,101	5,101
74.98	Obligated balance, end of year: Fund balance.....	-5,101	-5,101	-5,101
78.00	Adjustments in unexpired accounts.....	2,101		
90.00	Outlays.....	-1,761	6,000	6,000

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating, photographic, and other visual information services, art and graphics, video and film services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and ADP systems. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and accumulated earnings of \$729 thousand as of September 30, 1984. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund. The 1986 budget includes an appropriation request of \$6 million for capital equipment acquisition.

Object Classification (in thousands of dollars)

Identification code	12-4609-0-4-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	26,434	32,294	32,347
11.3	Other than full-time permanent.....	5,296	1,075	1,031

11.5	Other personnel compensation	1,702	2,407	2,507
11.9	Total personnel compensation.....	33,432	35,776	35,885
12.1	Personnel benefits: Civilian	4,233	3,923	3,980
13.0	Benefits for former personnel.....	134	129	136
21.0	Travel and transportation of persons.....	490	479	571
22.0	Transportation of things.....	137	179	180
23.1	Standard level user charges.....	1,919	3,059	3,059
23.2	Communications, utilities, and other rent....	22,062	27,539	27,554
24.0	Printing and reproduction.....	1,723	343	465
25.0	Other services.....	17,502	16,760	16,630
26.0	Supplies and materials.....	4,967	6,514	6,581
31.0	Equipment.....	5,146	9,939	13,308
43.0	Interest and dividends.....	8		
92.0	Depreciation.....	1,523	2,871	4,944
99.9	Total obligations.....	93,276	107,511	113,293

Personnel Summary

Total number of full-time permanent positions.....	1,478	1,510	1,518
Total compensable workyears:			
Full-time equivalent employment	1,455	1,485	1,469
Full-time equivalent of overtime and holiday hours	64	109	100

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS**Federal Funds****General and special funds:****OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS***

*See Part II for additional information.

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, **[\$6,655,000] \$5,852,000**, of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed **[\$2,000,000] \$1,500,000** may be used for farmers' bulletins [and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301]; *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

For necessary expenses for liaison with the Congress on legislative matters, **[\$495,000] \$491,000**.

For necessary expenses for programs involving intergovernmental affairs, emergency preparedness, and liaison within the executive branch, **[\$465,000] \$456,000**. (5 U.S.C. 5901; 7 U.S.C. 2201, 2202, 2231, 2235; 42 U.S.C. 2000d.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0130-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Public affairs	6,492	6,708	5,852
00.02	Congressional relations	454	502	491
00.03	Intergovernmental affairs.....	343	467	456
00.91	Total direct program	7,289	7,677	6,799
01.01	Reimbursable program.....	716	879	879
10.00	Total obligations.....	8,005	8,556	7,678

Financing:				
11.00	Offsetting collections from: Federal funds ...	-716	-879	-879
25.00	Unobligated balance, lapsing	177		
39.00	Budget authority	7,466	7,677	6,799
Budget authority:				
40.00	Appropriation	7,466	7,615	6,799
44.20	Supplemental for civilian pay raises		62	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	7,289	7,677	6,799
72.40	Obligated balance, start of year	2,150	2,467	2,467
74.40	Obligated balance, end of year.....	-2,467	-2,467	-2,467
77.00	Adjustments in expired accounts.....	-55		
90.00	Outlays, excluding pay raise supplemental	6,917	7,618	6,796
91.20	Outlays from civilian pay raise supplemental		59	3
Distribution of budget authority by account:				
	Office of Public Affairs.....	6,650	6,708	5,852
	Office of Congressional Relations.....	465	502	491
	Office of Intergovernmental Affairs.....	351	467	456
Distribution of outlays by account:				
	Office of Public Affairs.....	6,161	6,708	5,852
	Office of Congressional Relations.....	431	502	491
	Office of Intergovernmental Affairs.....	325	467	456

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	1,466	7,677	6,799
Outlays.....	6,917	7,677	6,799
Rescission proposal:			
Budget authority		-497	
Outlays.....		-497	
Total:			
Budget authority	7,466	7,180	6,799
Outlays.....	6,917	7,180	6,799

Public affairs.—This activity provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports to rural and urban publics on USDA's research, action, regulatory and other activities using all communications media in order to obtain better understanding among the general public and the agricultural industry of agriculture's services to farmers and to society.

Congressional relations.—This activity includes responsibility for maintaining liaison with the Congress and the White House on legislative matters of concern to the Department and for the coordination of all Congressional matters except congressional appropriation.

Intergovernmental affairs.—This activity provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra- and intergovernmental relations.

Object Classification (in thousands of dollars)

Identification code	12-0130-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	3,867	3,963	3,717
11.3	Other than full-time permanent	159	226	219
11.5	Other personnel compensation.....	16	178	170
11.9	Total personnel compensation	4,042	4,367	4,106

General and special funds—Continued

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-0130-0-1-352	1984 actual	1985 est.	1986 est.
12.1	Personnel benefits: Civilian	435	482	451
21.0	Travel and transportation of persons	105	127	127
23.2	Communications, utilities, and other rent	644	575	575
24.0	Printing and reproduction	916	1,266	680
25.0	Other services	640	583	583
26.0	Supplies and materials	305	143	143
31.0	Equipment	201	134	134
43.0	Refunds	1		
99.0	Subtotal, direct obligations	7,289	7,677	6,799
99.0	Reimbursable obligations	716	879	879
99.9	Total obligations	8,005	8,556	7,678

Personnel Summary

Total number of full-time permanent positions	166	155	150
Total compensable workyears:			
Full-time equivalent employment	166	155	150
Full-time equivalent of overtime and holiday hours	4	4	4

OFFICE OF THE INSPECTOR GENERAL

Federal Funds

General and special funds:

OFFICE OF THE INSPECTOR GENERAL*

*See Part II for additional information.

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), [\$30,142,000] \$26,156,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978 (Public Law 95-452), and including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$75,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98; and in addition, [\$15,924,000] \$14,710,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation. (7 U.S.C. 450b, 2201, 2202, 2220, 2270.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743 making appropriations for Agriculture, Rural Development and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0900-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program: Audits and investigations	42,508	46,321	40,866
01.01	Reimbursable programs	1,063		
10.00	Total obligations	43,571	46,321	40,866
Financing:				
11.00	Offsetting collections from: Federal funds	—1,063		
25.00	Unobligated balance lapsing	2,488		
39.00	Budget authority	44,996	46,321	40,866
Budget authority:				
40.00	Appropriation	29,628	30,142	26,156
41.00	Transferred to other accounts		—176	
42.00	Transferred from other accounts	15,368	15,924	14,710

43.00	Appropriation (adjusted)	44,996	45,890	40,866
46.20	Transfers in for civilian pay raises		431	

Relation of obligations to outlays:

71.00	Obligations incurred, net	42,508	46,321	40,866
72.40	Obligated balance, start of year	4,589	4,688	5,401
74.40	Obligated balance, end of year	—4,688	—5,401	—6,043
77.00	Adjustments in expired accounts	—113		
90.00	Outlays, excluding pay raise supple- mental	42,296	45,186	40,215
91.20	Outlays from civilian pay raise sup- plemental		422	9

Note.—Excludes \$176 thousand in 1985 and \$213 thousand in 1986 for activities transferred to "Departmental Administration", Department of Agriculture. Comparable amount for 1984 (\$119 thousand) included above.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	44,996	46,321	40,866
Outlays	42,296	45,608	40,224
Rescission proposal:			
Budget authority		—41	
Outlays		—41	
Total:			
Budget authority	44,996	46,280	40,866
Outlays	42,296	45,567	40,224

The Office keeps the Secretary and the Congress informed about fraud, other serious problems, abuses and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws, rules and initiatives have had or will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud and abuse in such programs. The office provides policy direction and conducts, supervises, and coordinates all audits and investigations; recommends policies for and conducts, supervises or coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to (a) promote economy and efficiency, (b) prevent and detect fraud and abuse, and (c) identify and prosecute people involved in fraud or abuse.

Object Classification (in thousands of dollars)

Identification code	12-0900-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	26,799	27,165	24,868
11.3	Other than full-time permanent	436	462	322
11.5	Other personnel compensation	935	979	685
11.9	Total personnel compensation	28,170	28,606	25,875
12.1	Personnel benefits: Civilian	3,749	3,818	3,322
13.0	Benefits for former personnel	36	44	44
21.0	Travel and transportation of persons	4,340	5,907	5,000
22.0	Transportation of things	65	182	132
23.2	Communications, utilities, and other rent	1,875	2,147	2,147
24.0	Printing and reproduction	112	158	117
25.0	Other services	3,214	3,729	2,929
26.0	Supplies and materials	307	330	300
31.0	Equipment	638	1,400	1,000

42.0	Insurance claims and indemnities.....	1		
43.0	Interest and dividends.....	1		
99.0	Subtotal, direct obligations.....	42,508	46,321	40,866
99.0	Reimbursable obligations.....	1,063		
99.9	Total obligations.....	43,571	46,321	40,866

Personnel Summary

Total number of full-time permanent positions.....	880	871	810
Total compensable workyears:			
Full-time equivalent employment.....	879	891	830
Full-time equivalent of overtime and holiday hours.....	30	30	30

OFFICE OF THE GENERAL COUNSEL*Federal Funds***General and special funds:****OFFICE OF THE GENERAL COUNSEL***

* See Part II for additional information.

For necessary expenses, **[\$14,929,000]** \$13,175,000; and in addition, \$786,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation. (7 U.S.C. 2201, 2202, 2214a.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided by the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2300-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program: Legal services.....	15,288	15,921	13,961
01.01	Reimbursable program.....	1,475	1,610	834
10.00	Total obligations.....	16,763	17,531	14,795
Financing:				
11.00	Offsetting collections from: Federal funds ...	—1,475	—1,610	—834
25.00	Unobligated balance lapsing.....	18		
39.00	Budget authority.....	15,306	15,921	13,961
Budget authority:				
40.00	Appropriation.....	14,583	14,929	13,175
42.00	Transferred from other accounts.....	723	786	786
43.00	Appropriation (adjusted).....	15,306	15,715	13,961
44.20	Supplemental for civilian pay raises.....		206	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	15,288	15,921	13,961
72.40	Obligated balance, start of year.....	180	459	459
74.40	Obligated balance, end of year.....	—459	—459	—459
77.00	Adjustments in expired accounts.....	81		
90.00	Outlays, excluding pay raise supplemental.....	15,090	15,719	13,957
91.20	Outlays from civilian pay raise supplemental.....		202	4

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	15,306	15,921	13,961
Outlays.....	15,090	15,921	13,961
Rescission proposal:			
Budget authority.....		—24	
Outlays.....		—24	

Total:			
Budget authority.....	15,306	15,897	13,961
Outlays.....	15,090	15,897	13,961

The Office performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of Department activities. It advises agencies of the Department on all aspects of their operations.

Object Classification (in thousands of dollars)

Identification code	12-2300-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	11,368	12,208	10,797
11.3	Other than full-time permanent.....	309	352	223
11.5	Other personnel compensation.....	111	149	111
11.9	Total personnel compensation.....	11,788	12,709	11,131
12.1	Personnel benefits: Civilian.....	1,269	1,278	1,217
13.0	Benefits for former personnel.....		10	10
21.0	Travel and transportation of persons.....	330	327	280
22.0	Transportation of things.....	5	25	2
23.2	Communications, utilities, and other rent.....	789	660	600
24.0	Printing and reproduction.....	33	54	25
25.0	Other services.....	352	437	375
26.0	Supplies and materials.....	433	391	321
31.0	Equipment.....	288	30	
43.0	Interest and dividends.....	1		
99.0	Subtotal, direct obligations.....	15,288	15,921	13,961
99.0	Reimbursable obligations.....	1,475	1,610	834
99.9	Total obligations.....	16,763	17,531	14,795

Personnel Summary

Total number of full-time permanent positions.....	397	397	372
Total compensable workyears:			
Full-time equivalent employment.....	384	384	360
Full-time equivalent of overtime and holiday hours.....	3	3	3

AGRICULTURAL RESEARCH SERVICE*Federal Funds***General and special funds:****AGRICULTURAL RESEARCH SERVICE***

* See Part II for additional information.

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and to coordinate and provide program leadership for higher education work of the Department, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; **[\$489,022,000]** \$483,286,000: Provided, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section

General and special funds—Continued

AGRICULTURAL RESEARCH SERVICE—Continued

706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That uniform allowances for each uniformed employee of the Agricultural Research Service shall not be in excess of \$400 annually: *Provided further*, That of the appropriations hereunder not less than \$10,526,600 shall be available to conduct marketing research: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed **[\$125,000]** \$154,000, except for greenhouses connecting greenhouses which shall each be limited to \$500,000, and except for ten buildings to be constructed or improved at a cost not to exceed **[\$250,000]** \$295,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or **[\$125,000]** \$154,000 whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of **[\$200,000]** \$295,000 for facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the limitation on purchase of land shall not apply to an option to purchase land at **[Houma, Louisiana, and at Fresno, California]** Florence, South Carolina, for a term of not to exceed one year: *Provided further*, That the limitations on construction contained in this Act shall not apply to the establishment of National Clonal Germplasm Repository for Citrus, Riverside, California.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, \$2,000,000. (7 U.S.C. 321-326, 328, 427, 427i, 2225, 2250; 10 U.S.C. 2306; 16 U.S.C. 581-581(a), 581(f), 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 113a, 114c, 114e-131; 26 U.S.C. 4491-4494; 42 U.S.C. 1476(e), 1483, 1891-93.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

[Sec. 126. Notwithstanding any other provision of this joint resolution, there is an additional amount appropriated for the Agricultural Research Service, United States Department of Agriculture, \$1,000,000.] (Public Law 98-473, making continuing appropriations for the fiscal year 1985.)

Program and Financing (in thousands of dollars)

Identification code	12-1400-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Research on soil and water conservation	57,368	59,503	59,596
00.02	Research on plant productivity	181,672	188,080	188,569
00.03	Research on animal productivity	85,591	88,934	88,225
00.04	Research on commodity conversion delivery	87,508	91,154	90,265
00.05	Human nutrition research	34,118	36,813	36,252
00.06	Integration of agricultural systems	9,501	10,446	10,287
00.07	Higher education grants	7,800	2,800	
00.08	Repair and maintenance of facilities	11,092	11,092	11,092
00.09	Contingencies		1,000	1,000
00.10	Construction of facilities	2,154	2,368	
00.91	Total direct program	476,804	492,190	485,286
01.01	Reimbursable program	16,589	20,000	19,000
10.00	Total obligations	493,393	512,190	504,286
Financing:				
Offsetting collections from:				
11.00	Federal funds	-14,386	-17,677	-16,677

14.00	Non-Federal sources	-2,203	-2,323	-2,323
21.40	Unobligated balance available, start of year	-4,522	-2,368	
24.40	Unobligated balance available, end of year	2,368		
25.00	Unobligated balance lapsing	3,556		
39.00	Budget authority	478,206	489,822	485,286
Budget authority:				
Current:				
40.00	Appropriation	479,726	492,022	485,286
41.00	Transferred to other accounts	-4,320	-5,000	
43.00	Appropriation (adjusted)	475,406	487,022	485,286
Permanent:				
60.00	Appropriation (definite)	2,800	2,800	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	476,804	492,190	485,286
72.40	Obligated balance, start of year	122,364	120,740	127,126
74.40	Obligated balance, end of year	-120,740	-127,126	-134,577
77.00	Adjustments in expired accounts	2,878		
90.00	Outlays	481,307	485,804	477,835

Note.—Excludes \$5,000 thousand in 1985 and \$2,000 thousand in 1986 for activities transferred to Cooperative State Research Service, USDA for higher education competitive fellowship programs. The comparable amount for 1984 (\$5,000) thousand is included above.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)				
	1984 actual	1985 estimate	1986 estimate	
Enacted/requested:				
Budget authority	478,206	489,822	485,286	
Outlays	481,307	485,804	477,835	
Rescission proposal:				
Budget authority		-1,313		
Outlays		-1,313		
Total:				
Budget authority	478,206	488,509	485,286	
Outlays	481,307	484,491	477,835	

The Agricultural Research Service conducts research to provide the means for a safer, more economical, and more abundant supply of agricultural products for the Nation. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research in the fields of livestock; soil-air-water resources; plants; animals; commodity conversion and delivery; human nutrition and integrated agricultural systems.

Research on soil and water conservation.—Research is conducted to improve the management of natural resources, including investigations to improve soil and water management, irrigation, and conservation practices; to protect natural resources from harmful effects of soil, air, and water pollutants and to minimize certain agricultural pollution problems; and to determine the relation of soil types and water to plant, animal, and human nutrition. The program increases proposed in 1986 are for better understanding of chemical movement in ground water and improved technologies for resource inventories.

Research on plant productivity.—Research is conducted to improve plant productivity through improved varieties of food, feed, fiber, and other plants; develop new crop resources; and improve crop production practices, including methods to control plant diseases, nematodes, insects, and weeds. The program increases proposed in 1986 are for enhancement, acquisition and maintenance of germplasm resources; improved biotechnology techniques for plant gene transfer; and for increased agricultural productivity in the Caribbean Basin.

Research on animal productivity.—Research is conducted to improve livestock productivity (including poultry) through improved breeding, feeding, and management practices, and to develop methods for controlling diseases, parasites, and insect pests affecting them. The increase proposed in 1986 is for Action agency support of animal health and protection.

Research on commodity conversion and delivery.—Research is conducted to develop new and improved foods, feeds, fabrics, and industrial products and processes for agricultural commodities for domestic and foreign markets, including ways to minimize processing wastes as well as the processing, transportation, storage, wholesaling, and retailing of products. Research is also conducted on problems of human health and safety, including means to insure the safety of food and feed supplies; control insect pests of man and his belongings; and reduce the hazards to human life resulting from pesticide residues and other causes. The increase proposed in 1986 is for alternative quarantine treatments for export markets.

Human nutrition research.—Research is conducted on human nutritional requirements, composition and nutritive value of foods, dietary status, monitoring and surveillance, and nutrition education and methodology needs of Federal, State, and local agencies administering food and nutrition programs.

Integration of agricultural systems.—Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products; and to develop alternative agricultural systems, including those of small scale, that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.

Repair and maintenance of facilities.—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

Higher education grants.—In 1985, the Department will conduct three higher education grant programs—the Morrill-Nelson Permanent Appropriation, which provides \$50,000 to every State and territory; Competitive Fellowship Grants, which will be administered by several institutions to attract future scientists and professionals to shortage areas in the food and agricultural sciences and a higher education grants program specifically targeted for the 1890 Colleges and Universities, Tuskegee Institute and the University of the District of Columbia.

Contingencies.—\$1 million will be available to meet urgent needs that develop unexpectedly during the year when such needs cannot be met by redirection of resources from other projects.

Construction of facilities.—Amounts reflect obligations from prior balances. There is no funding request for this item.

Advances and reimbursements.—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

Object Classification (in thousands of dollars)

Identification code	12-1400-0-1-352	1984 actual	1985 est.	1986 est.
AGRICULTURAL RESEARCH SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	216,406	229,074	223,738
11.3	Other than full-time permanent	10,246	10,666	10,551
11.5	Other personnel compensation	4,273	4,368	4,321
11.9	Total personnel compensation	230,925	244,108	238,610
12.1	Personnel benefits: Civilian	28,780	29,896	29,190
21.0	Travel and transportation of persons	5,968	5,246	4,880
22.0	Transportation of things	1,164	1,200	1,250
23.2	Communications, utilities, and other rent	29,541	30,595	31,411
24.0	Printing and reproduction	1,001	1,010	1,010
25.0	Other services	98,073	96,027	94,841
26.0	Supplies and materials	41,308	42,160	43,117
31.0	Equipment	29,378	30,426	31,120
32.0	Lands and structures	8,556	9,409	7,744
41.0	Grants, subsidies, and contributions	1,727	1,727	1,727
99.0	Total direct obligations	476,421	491,804	484,900
99.0	Reimbursable obligations	16,589	20,000	19,000
ALLOCATION TO FOREST SERVICE				
Personnel compensation:				
11.1	Full-time permanent	3	3	3
11.3	Other than full-time permanent	1	1	1
11.9	Total personnel compensation	4	4	4
12.1	Personnel benefits: Civilian	1	1	1
21.0	Travel and transportation of persons	1	1	1
25.0	Other services	345	347	347
26.0	Supplies and materials	1	1	1
41.0	Grants, subsidies, and contributions	32	32	32
99.0	Subtotal obligations, allocation to Forest Service	384	386	386
99.9	Total obligations	493,393	512,190	504,286
Total obligations are distributed as follows:				
	Agricultural Research Service	493,010	511,804	503,900
	Forest Service	384	386	386

Personnel Summary

AGRICULTURAL RESEARCH SERVICE				
Direct:				
	Total number of full-time permanent positions	7,842	7,930	7,830
	Total compensable workyears:			
	Full-time equivalent employment	8,086	8,182	8,082
	Full-time equivalent of overtime and holiday hours	64	60	60
Reimbursable:				
	Total number of full-time permanent positions	104	104	104
	Total compensable workyears: Full-time equivalent employment	104	104	104
ALLOCATION TO FOREST SERVICE				
	Total number of full-time permanent positions			
	Total compensable workyears: Full-time equivalent employment			

[BUILDINGS AND FACILITIES]*

*See Part II for additional information.

[For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Agricultural Research Service, where not otherwise provided, \$23,050,000, to remain available until expended.]

General and special funds—Continued

【BUILDINGS AND FACILITIES】—Continued

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1401-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 32.0)	9,242	15,494	65,900
Financing:				
21.40	Unobligated balance available, start of year	-2,483	-71,221	-78,777
24.40	Unobligated balance available, end of year..	71,221	78,777	12,877
25.00	Unobligated balance lapsing	-55		
40.00	Budget authority (appropriation) ..	77,925	23,050	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	9,242	15,494	65,900
72.40	Obligated balance, start of year	3,844	9,200	5,490
74.40	Obligated balance, end of year	-9,200	-5,490	-6,525
90.00	Outlays	3,886	19,204	64,865

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	77,925	23,050	
Outlays	3,886	19,204	64,865
Rescission proposal:			
Budget authority		-20,950	
Outlays		-3,154	-19,626
Total:			
Budget authority	77,925	2,100	
Outlays	3,886	16,050	45,239

This account predominately provides funds for acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. These funds are available until fully expended. No projects are requested for 1986.

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8214-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations	1,965	2,000	2,000
Financing:				
21.40	Unobligated balance available, start of year	-1,900	-667	-667
24.40	Unobligated balance available, end of year..	667	667	667
60.00	Budget authority (appropriation) (permanent, indefinite)	732	2,000	2,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,965	2,000	2,000
72.40	Obligated balance, start of year	407	1,020	1,020
74.40	Obligated balance, end of year	-1,020	-1,020	-1,020
90.00	Outlays	1,352	2,000	2,000

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

Object Classification (in thousands of dollars)

Identification code	12-8214-0-7-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	105	107	107
11.3	Other than full-time permanent	21	21	21
11.5	Other personnel compensation	11	11	11
11.9	Total personnel compensation	137	139	139
12.1	Personnel benefits: Civilian	20	20	20
21.0	Travel and transportation of persons	35	31	31
23.2	Communications, utilities, and other rent	18	18	18
24.0	Printing and reproduction	4	4	4
25.0	Other services	1,375	1,408	1,408
26.0	Supplies and materials	221	225	225
31.0	Equipment	152	155	155
32.0	Lands and structures	3		
99.9	Total obligations	1,965	2,000	2,000

Personnel Summary

Total number of full-time permanent positions	4	4	4
Total compensable workyears: Full-time equivalent employment	4	4	4

COOPERATIVE STATE RESEARCH SERVICE

Federal Funds

General and special funds:

COOPERATIVE STATE RESEARCH SERVICE*

*See Part II for additional information.

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including \$156,484,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), and further amended by Public Law 92-318 approved June 23, 1972, and further amended by Public Law 93-471 approved October 26, 1974, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); \$13,053,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7), as amended by Public Law 92-318 approved June 23, 1972, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); \$23,474,000 for payments to the 1890 land-grant colleges, including Tuskegee Institute, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee Institute; \$27,328,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); \$46,000,000 for competitive research grants, including administrative expenses; \$5,760,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; \$702,000 for research authorized by the Native Latex Commercialization and Economic Development Act of 1978; \$500,000 for rangeland research grants as authorized by subtitle M of the National [Agricultural] Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; \$10,000,000 for grants to upgrade 1890 land-grant college research facilities as authorized by section 1433 of Public Law 97-98, to remain available until expended; \$2,000,000 for higher education strengthening grants under section 1417(a)(2)(A) of Public Law 95-113, as amended (7 U.S.C. 3152(a)(2)(A)); and \$975,000; \$150,000 for necessary expenses of Cooperative State Research Service activities, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000; \$150,000 for employment under 5 U.S.C. 3109; in all, \$284,276,000; \$251,161,000: Provided, That no funds

shall be available in fiscal year 1986 for payments under the Act of August 30, 1890 and the tenth and eleventh paragraphs under the heading "Emergency Appropriations" of the Act of March 4, 1907 (7 U.S.C. 321 et seq.). (7 U.S.C. 450b, 2201-02, 2220, 2250a; 39 U.S.C. 3202(a)(4), 3206(b); 42 U.S.C. 1891-1893; Public Law 95-113; Public Law 95-547; Public Law 95-592; Public Law 96-294; Public Law 97-98; Public Law 98-284.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the amount provided for in the conference version of H.R. 5743 making appropriations for Agriculture, Rural Development and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1500-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Payments under the Hatch Act.....	150,501	156,484	156,484
00.02	Cooperative forestry research.....	12,702	13,053	13,053
00.03	Payments to 1890 colleges and Tuskegee Institute.....	22,717	23,474	23,474
00.04	Special research grants.....	26,476	28,530	.....
00.05	Competitive research grants.....	17,000	46,000	46,000
00.06	Animal health and disease research.....	5,760	5,760	.....
00.07	Federal administration (direct appropriation).....	592	975	150
00.08	1890 research facilities.....	10,000	10,000	10,000
00.09	Higher education.....	.....	5,000	2,000
00.91	Total direct program.....	245,748	289,276	251,161
01.01	Reimbursable program.....	2,518	3,900	3,900
10.00	Total obligations.....	248,266	293,176	255,061
Financing:				
11.00	Offsetting collections from: Federal funds...	-2,518	-3,900	-3,900
25.00	Unobligated balance lapsing.....	1,907	.....	.....
39.00	Budget authority.....	247,655	289,276	251,161
Budget authority:				
40.00	Appropriation.....	247,655	284,276	251,161
42.00	Transferred from other accounts.....	.....	5,000	.....
43.00	Appropriation (adjusted).....	247,655	289,276	251,161
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	245,748	289,276	251,161
72.40	Obligated balance, start of year.....	104,506	109,527	141,005
74.40	Obligated balance, end of year.....	-109,527	-141,005	-133,666
77.00	Adjustments in expired accounts.....	-1,237	.....	.....
90.00	Outlays.....	239,490	257,798	258,500

Note.—Includes \$5,000 thousand in 1985 and \$2,000 thousand in 1986 for activities transferred from the Agricultural Research Service. The comparable amount in 1984 is \$5,000 thousand.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	247,655	289,276	251,161
Outlays.....	239,490	257,798	258,500
Rescission proposal:			
Budget authority.....	.....	-151	.....
Outlays.....	.....	-151	.....
Total:			
Budget authority.....	247,655	289,125	251,161
Outlays.....	239,490	257,647	258,500

Cooperative State Research Service participates in a nationwide system of agricultural research program planning and coordination between the State institutions and the U.S. Department of Agriculture. It encourages and assists in the establishment and maintenance of cooperation within and among these State institutions, and between the State institutions and their Federal research partners. This includes the adminis-

tration of grants and payments to State institutions to supplement State and local funding for agricultural research.

Payments under the Hatch Act.—Funds under the Hatch Act are allocated to agricultural experiment stations of the land-grant colleges in the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, and American Samoa, for agricultural research including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural community.

Cooperative forestry research.—These funds are allocated to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, American Samoa, and other State-supported colleges and universities offering graduate training in the sciences basic to forestry and having a forestry school.

Payments to 1890 colleges and Tuskegee Institute.—Funds support planning, coordinating and conducting agricultural research at the 1890 land-grant colleges including Tuskegee Institute. The eligible institutions plan and conduct agricultural research in cooperation with each other and such agencies, institutions, and individuals as may contribute to the solution of agricultural problems.

Special research grants.—This program concentrates on problems of national interest beyond the normal emphasis in the formula programs. No funding is proposed in 1986.

Competitive research grants.—This program emphasizes basic research critical to food production and human nutrition. In 1986, the following research areas are proposed for funding: \$16.5 million to study serious problems relating to plant science research, \$2 million for human nutrition research, \$20 million for basic biotechnology research in the plant and animal sciences, \$4.5 million for basic animal science research, and \$3 million for pest science research.

Animal health and disease research.—Funds, distributed by legislated formula, support livestock and poultry disease research in colleges of veterinary medicine and in eligible agricultural experiment stations. Research on specified national and regional problems of joint USDA-State concern is conducted as agreed upon between the USDA and specific eligible institutions. Animal health and disease research can be implemented by the States using other formula research funds.

Federal administration (direct appropriation).—A research coordinating and review staff is maintained which encourages and assists in the establishment and maintenance of cooperation within and among the States and between the States and their Federal research partners, and which administers research grants and payments to States. Federal administration is funded from a combination of program set-asides from formula and grant programs and from direct appropriation for administration.

1890 research facilities.—Funds support the purchase of land and the construction, alteration or renovation of buildings necessary for the conduct of food and agricultural research at colleges eligible to receive funds under

General and special funds—Continued

COOPERATIVE STATE RESEARCH SERVICE—Continued

the Act of August 30, 1890, including Tuskegee Institute.

Higher Education.—In fiscal year 1985, the Department conducted three higher education programs: the Morrill-Nelson Permanent Appropriation which provides \$50,000 to every State and territory; Strengthening Grants to support resident instruction programs at historically black land-grant institutions and Tuskegee Institute; and Graduate Fellowships awarded to colleges and universities to stimulate the development of food and agricultural scientific expertise in targeted national need areas. No funding is proposed for the Morrill-Nelson program or Graduate Fellowships in 1986.

Reimbursable program.—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

Object Classification (in thousands of dollars)

Identification code	12-1500-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	3,882	4,653	4,392
11.3	Other than full-time permanent	122	237	226
11.5	Other personnel compensation	75	76	72
11.9	Total personnel compensation	4,079	4,966	4,690
12.1	Personnel benefits: Civilian	435	516	487
13.0	Benefits for former personnel	2		
21.0	Travel and transportation of persons	464	466	491
22.0	Transportation of things	27	28	28
23.2	Communications, utilities, and other rent	854	871	871
24.0	Printing and reproduction	150	106	157
25.0	Other services	2,173	1,694	893
26.0	Supplies and materials	108	113	113
31.0	Equipment	141	445	200
41.0	Grants, subsidies, and contributions	237,315	280,071	243,231
99.0	Subtotal, direct obligations	245,748	289,276	251,161
99.0	Reimbursable obligations	2,518	3,900	3,900
99.9	Total obligations	248,266	293,176	255,061

Personnel Summary

Direct:				
	Total number of full-time permanent positions	137	137	137
	Total compensable workyears:			
	Full-time equivalent employment	122	136	134
	Full-time equivalent of overtime and holiday hours		1	1
Reimbursable:				
	Total number of full-time permanent positions	8	8	8
	Total compensable workyears: Full-time equivalent employment	8	8	8

EXTENSION SERVICE

Federal Funds

General and specific funds:

EXTENSION SERVICE*

*See Part II for additional information.

Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5,

1962 (7 U.S.C. 341-349), section 506 of the Act of June 23, 1972, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), to be distributed under sections 3(b) and 3(c) of the Act, for retirement and employees' compensation costs for extension agents, and for costs of penalty mail for cooperative extension agents and State extension directors, \$241,484,000; [payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$60,354,000; payments for the urban gardening program under section 3(d) of the Act, \$3,500,000; payments for the pest management program under section 3(d) of the Act, \$7,531,000; payments for the farm safety program under section 3(d) of the Act, \$1,020,000; payments for the pesticide impact assessment program under section 3(d) of the Act, \$1,716,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, \$2,500,000; payments for a financial management assistance program under section 3(d) of the Act, \$1,000,000;] payments for extension work under section 209(c) of Public Law 93-471, \$983,000; payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee Institute, \$17,741,000; in all, [\$337,829,000; of which not less than \$79,400,000 is for Home Economics] \$260,208,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962, section 506 of the Act of June 23, 1972, section 209(d) of Public Law 93-471, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$5,898,000; of which not less than \$2,300,000 is for Home Economics] \$4,600,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0502-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Smith-Lever Act, 3(b) and 3(c)	234,826	241,484	241,484
Smith-Lever Act, 3(d):				
00.02	Food and nutrition education (EFNEP)	60,354	60,354	
00.03	Pest management	7,531	7,531	
00.04	Farm safety	1,020	1,020	
00.05	Pesticide impact assessment	1,716	1,716	
00.06	Urban gardening	3,000	3,500	
00.07	Financial management		1,000	
00.08	Payments to the District of Columbia	983	983	983
00.09	Payments to 1890 colleges and Tuskegee Institute	17,241	17,741	17,741
00.10	Renewable Resources Extension Act	2,000	2,500	
00.11	Federal administration (direct appropriation)	5,511	5,898	4,600
00.91	Total direct program	334,182	343,727	264,808
01.01	Reimbursable program	6,493	6,843	6,843
10.00	Total obligations	340,675	350,570	271,651
Financing:				
Offsetting collections from:				
11.00	Federal funds	-6,222	-5,835	-5,835
14.00	Non-Federal sources	-271	-1,008	-1,008
25.00	Unobligated balance lapsing	158		
40.00	Budget authority (appropriation) ..	334,340	343,727	264,808
Relation of obligations to outlays:				
71.00	Obligations incurred, net	334,182	343,727	264,808
72.40	Obligated balance, start of year	66,644	67,651	69,285

74.40	Obligated balance, end of year.....	-67,651	-69,285	-67,393
77.00	Adjustments in expired accounts.....	-3,595		
90.00	Outlays.....	329,580	342,093	266,700

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	334,340	343,727	264,808
Outlays.....	329,580	342,093	266,700
Rescission proposal:			
Budget authority.....		-310	
Outlays.....		-310	
Total:			
Budget authority.....	334,340	343,417	264,808
Outlays.....	329,580	341,783	266,700

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, community development, 4-H youth programs, and related subjects.

Funds appropriated for payments to States, Puerto Rico, Guam, the Virgin Islands, American Samoa, and Micronesia are distributed primarily on the basis of population and on the basis of special problems and needs. Funds are used primarily for the employment of State, area, and county extension workers and paraprofessionals who work with individuals, families, community organizations, marketing concerns, and others by providing advice and assistance in the application of improved methods for production, marketing, nutrition, family living, and community development. Work with youth is accomplished largely through the 4-H program. Most of these funds are matched by the States and provide the Federal share of State retirement and penalty mail costs associated with program activities specifically undertaken with these matched funds.

In fiscal year 1986 formula support to land-grant institutions, including maintenance of operations at the 1890 institutions, Tuskegee Institute, and the District of Columbia is proposed to remain at current levels. Specifically targetted activities, such as pest management, pesticide clearance, urban gardening, farm safety, financial management, renewable resources, and nutrition education are proposed for elimination.

The Extension Service provides leadership and assistance to States, Puerto Rico, Guam, the Virgin Islands, the District of Columbia, American Samoa, and Micronesia, in developing extension programs, improving teaching methods, efficient use of available resources, evaluation of programs, and administrative services. These responsibilities are funded from a combination of program set-asides for administering payments to States and from direct appropriations for the Federal Extension Administration.

Object Classification (in thousands of dollars)

Identification code	1984 actual	1985 est.	1986 est.
12-0502-0-1-352			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	5,951	6,143	5,877
11.3 Other than full-time permanent.....	89	93	89
11.5 Other personnel compensation.....	34	35	34
11.9 Total personnel compensation.....	6,074	6,271	6,000

12.1	Personnel benefits: Civilian.....	705	728	696
21.0	Travel and transportation of persons.....	470	605	575
22.0	Transportation of things.....	79	90	85
23.2	Communications, utilities, and other rent.....	17,142	17,345	17,290
24.0	Printing and reproduction.....	377	309	294
25.0	Other services.....	1,037	2,040	1,905
26.0	Supplies and materials.....	111	125	119
31.0	Equipment.....	335	400	380
41.0	Grants, subsidies, and contributions.....	307,852	315,814	237,464
99.0	Subtotal, direct obligations.....	334,182	343,727	264,808
99.0	Reimbursable obligations.....	6,493	6,843	6,843
99.9	Total obligations.....	340,675	350,570	271,651

Personnel Summary

Total number of full-time permanent positions.....	190	190	190
Total compensable workyears:			
Full-time equivalent employment.....	177	171	170
Full-time equivalent of overtime and holiday hours.....	1	1	1

NATIONAL AGRICULTURAL LIBRARY*Federal Funds***General and special funds:****NATIONAL AGRICULTURAL LIBRARY***

* See Part II for additional information.

For necessary expenses of the National Agricultural Library, **[\$11,400,000] \$11,100,000: Provided**, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed \$575,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements. (5 U.S.C. 5946; 7 U.S.C. 450b, 450i, 2201, 2202, 2204, 2206, 2244, 2264, 2265.)

Note—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	1984 actual	1985 est.	1986 est.
12-0300-0-1-352			
Program by activities:			
Direct program:			
00.01 Agricultural information and library services.....	9,603	11,164	10,800
00.02 Repairs and maintenance of facilities.....	300	300	300
00.91 Total direct program.....	9,903	11,464	11,100
01.01 Reimbursable program.....	836	1,000	1,000
10.00 Total obligations.....	10,739	12,464	12,100
Financing:			
11.00 Offsetting collections from: Federal funds.....	-836	-1,000	-1,000
25.00 Unobligated balance lapsing.....	479		
39.00 Budget authority.....	10,382	11,464	11,100
Budget authority:			
40.00 Appropriation.....	9,932	11,400	11,100
42.00 Transferred from other accounts.....	450		
43.00 Appropriation (adjusted).....	10,382	11,400	11,100
44.20 Supplemental for civilian pay raises.....		64	
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	9,903	11,464	11,100
72.40 Obligated balance, start of year.....	3,980	3,868	4,134

General and special funds—Continued

NATIONAL AGRICULTURAL LIBRARY—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-0300-0-1-352	1984 actual	1985 est.	1986 est.
74.40	Obligated balance, end of year.....	—3,868	—4,134	—4,234
77.00	Adjustments in expired accounts.....	9		
90.00	Outlays, excluding pay raise supple- mental.....	10,024	11,136	10,998
91.20	Outlays from civilian pay raise sup- plemental.....		62	2

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	10,382	11,464	11,100
Outlays.....	10,024	11,198	11,000
Rescission proposal:			
Budget authority		—11	
Outlays.....		—11	
Total:			
Budget authority	10,382	11,453	11,100
Outlays.....	10,024	11,187	11,000

The primary purpose of NAL is to acquire, preserve, and disseminate an exhaustive collection of reliable information in all phases of the agricultural and allied sciences.

Agricultural information and library services.—The National Agricultural Library provides a variety of information products and services through: (1) the administration of a unique collection of books, journals, and other information materials about food and agriculture to assure accessibility to their contents; (2) the development and maintenance of cooperative efforts in the library and related information areas, with other Federal agencies and with educational institutions in each State; (3) an active program of information dissemination. The funds in 1986 will be used to continue NAL's services and cooperative efforts with other libraries.

Repairs and maintenance of facilities.—These funds are used for maintaining the library building.

Object Classification (in thousands of dollars)

Identification code	12-0300-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent		3,818	4,514	4,314
11.3 Other than full-time permanent		162	170	170
11.5 Other personnel compensation.....		78	80	80
11.9 Total personnel compensation		4,058	4,764	4,564
12.1 Personnel benefits: Civilian		450	550	512
21.0 Travel and transportation of persons		51	70	80
22.0 Transportation of things.....		28	30	30
23.2 Communications, utilities, and other rent.....		790	900	1,000
24.0 Printing and reproduction.....		174	200	200
25.0 Other services.....		2,402	2,750	2,501
26.0 Supplies and materials.....		1,457	1,600	1,613
31.0 Equipment.....		493	600	600
99.0 Subtotal, direct obligations.....		9,903	11,464	11,100
99.0 Reimbursable obligations		836	1,000	1,000
99.9 Total obligations.....		10,739	12,464	12,100

Personnel Summary

Direct:			
Total number of full-time permanent positions.....	189	191	204
Total compensable workyears:			
Full-time equivalent employment.....	154	177	177
Full-time equivalent of overtime and holiday hours.....	2	2	2
Reimbursable:			
Total number of full-time permanent positions.....	2	3	3
Total compensable workyears: Full-time equiva- lent employment	2	3	3

STATISTICAL REPORTING SERVICE

Federal Funds

General and special funds:

STATISTICAL REPORTING SERVICE*

* See Part II for additional information.

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, **[\$56,289,000]** \$57,179,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 2201, 2202, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1801-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01 Crop and livestock estimates		48,201	50,563	50,953
00.02 Statistical research and service		6,141	6,264	6,226
00.91 Total direct program		54,342	56,827	57,179
01.01 Reimbursable program.....		5,758	5,700	5,530
10.00 Total obligations.....		60,100	62,527	62,709
Financing:				
Offsetting collections from:				
11.00 Federal funds.....		—5,417	—5,080	—4,925
14.00 Non-Federal sources.....		—341	—620	—605
25.00 Unobligated balance lapsing		88		
39.00 Budget authority		54,430	56,827	57,179
Budget authority:				
40.00 Appropriation		54,430	56,289	57,179
44.20 Supplemental for civilian pay raises			538	
Relation of obligations to outlays:				
71.00 Obligations incurred, net		54,342	56,827	57,179
72.40 Obligated balance, start of year		9,097	8,227	8,435
74.40 Obligated balance, end of year		—8,227	—8,435	—9,265
77.00 Adjustments in expired accounts.....		326		
90.00 Outlays, excluding pay raise supple- mental.....		55,538	56,112	56,318
91.20 Outlays from civilian pay raise sup- plemental.....			507	31

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	54,430	56,827	57,179
Outlays	55,538	56,619	56,349
Supplemental under existing legislation:			
Budget authority		1,560	
Outlays		1,560	
Rescission proposal:			
Budget authority		-206	
Outlays		-206	
Total:			
Budget authority	54,430	58,181	57,179
Outlays	55,538	57,973	56,349

Crop and livestock estimates.—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in some 300 reports issued each year. Data collected and published on prices paid and received by farmers are basic to computation of parity prices.

The work under this activity is conducted through 44 State offices serving the 50 States; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data; Federal funds are not available for collection and publication of these additional data. The major program modification in 1986 is an increase of \$1,860,000 for the Quarterly Farm Labor Survey.

Statistical research and service.—This activity is designed to improve crop and livestock estimating techniques by improving sample survey designs and procedures and by testing new forecasting and estimating techniques, such as the use of satellite data.

The 1986 estimate includes savings from 1986 budget management reforms.

Object Classification (in thousands of dollars)

Identification code	12-1801-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent		26,116	26,951	25,137
11.3 Other than full-time permanent		1,074	1,109	1,034
11.5 Other personnel compensation		108	111	103
11.9 Total personnel compensation		27,298	28,171	26,274
12.1 Personnel benefits: Civilian		3,561	3,790	3,576
13.0 Benefits for former personnel		7	7	7
21.0 Travel and transportation of persons		1,131	1,106	1,157
22.0 Transportation of things		221	277	289
23.2 Communications, utilities, and other rent		3,301	3,471	3,629
24.0 Printing and reproduction		369	400	418
25.0 Other services		16,509	16,953	19,060
26.0 Supplies and materials		689	703	735
31.0 Equipment		1,252	1,949	2,034
42.0 Insurance claims and indemnities		2		
43.0 Interest and dividends		2		
99.0 Subtotal, direct obligations		54,342	56,827	57,179
99.0 Reimbursable obligations		5,758	5,700	5,530
99.9 Total obligations		60,100	62,527	62,709

Personnel Summary

Total number of full-time permanent positions	1,113	1,104	1,063
Total compensable workyears:			
Full-time equivalent employment	1,153	1,146	1,105
Full-time equivalent of overtime and holiday hours	1	2	2

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8218-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00 Total obligations		269	275	275
Financing:				
21.40 Unobligated balance available, start of year		-97	-51	-51
24.40 Unobligated balance available, end of year		51	51	51
60.00 Budget authority (appropriation) (permanent, indefinite)		224	275	275
Relation of obligations to outlays:				
71.00 Obligations incurred, net		269	275	275
72.40 Obligated balance, start of year		39	165	165
74.40 Obligated balance, end of year		-165	-165	-165
90.00 Outlays		143	275	275

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for crop and livestock survey work under cooperative agreements (7 U.S.C. 450b, 450h).

Object Classification (in thousands of dollars)

Identification code	12-8218-0-7-352	1984 actual	1985 est.	1986 est.
11.1 Personnel compensation: Full-time permanent		21	23	23
12.1 Personnel benefits: Civilian		2	3	3
23.2 Communications, utilities, and other rent		96	96	96
24.0 Printing and reproduction		11	11	11
25.0 Other services		127	130	130
26.0 Supplies and materials		12	12	12
99.9 Total obligations		269	275	275

Personnel Summary

Total number of full-time permanent positions	1	1	1
Total compensable workyears: Full-time equivalent employment	1	1	1

ECONOMIC RESEARCH SERVICE

Federal Funds

General and special funds:

ECONOMIC RESEARCH SERVICE*

*See part II for additional information.

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; research relating to the economic and marketing aspects of farmer

General and special funds—Continued

ECONOMIC RESEARCH SERVICE—Continued

cooperatives; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; [\$45,614,000] \$44,596,000; of which not less than \$200,000 shall be available for investigation, determination and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presentation, in the public interest, before said Administrator, other agencies or before the courts: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109; *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That the \$545,000 made available under this paragraph by Public Law 98-151 for the purpose of defraying expenses incurred in moving to new quarters shall be available until expended. (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1701-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program: Economic research and analysis.....	43,672	46,648	44,596
01.01	Reimbursable program.....	1,674	1,700	1,630
10.00	Total obligations.....	45,346	48,348	46,226
Financing:				
11.00	Offsetting collections from: Federal funds...	-1,674	-1,700	-1,630
25.00	Unobligated balance lapsing.....	657		
39.00	Budget authority.....	44,329	46,648	44,596
Budget authority:				
40.00	Appropriation.....	44,329	45,614	44,596
44.20	Supplemental for civilian pay raises.....		489	
50.00	Reappropriation.....		545	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	43,672	46,648	44,596
72.40	Obligated balance, start of year.....	5,870	7,323	7,958
74.40	Obligated balance, end of year.....	-7,323	-7,958	-8,267
77.00	Adjustments in expired accounts.....	-1,290		
90.00	Outlays, excluding pay raise supplemental.....	40,929	45,552	44,259
91.20	Outlays from civilian pay raise supplemental.....		461	28

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	44,329	46,648	44,596
Outlays.....	40,929	46,013	44,287
Rescission proposal:			
Budget authority.....		-132	

Outlays.....		-132	
Total:			
Budget authority.....	44,329	46,516	44,596
Outlays.....	40,929	45,881	44,287

The Economic Research Service performs agricultural economic and other social science research, outlook forecasting, policy analysis, and data collection and management related to U.S. and international agriculture, food, natural resources, and rural America. The 1986 estimate includes savings from 1986 budget management reforms.

Object Classification (in thousands of dollars)

Identification code	12-1701-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	27,028	29,291	27,296
11.3	Other than full-time permanent.....	491	532	496
11.5	Other personnel compensation.....	97	105	98
11.9	Total personnel compensation.....	27,616	29,928	27,890
12.1	Personnel benefits: Civilian.....	3,104	3,758	3,532
13.0	Benefits for former personnel.....	29	204	204
21.0	Travel and transportation of persons.....	750	851	851
22.0	Transportation of things.....	41	147	147
23.2	Communications, utilities, and other rent.....	1,033	1,222	1,301
24.0	Printing and reproduction.....	549	618	657
25.0	Other services.....	9,123	8,944	8,976
26.0	Supplies and materials.....	312	321	341
31.0	Equipment.....	1,115	655	697
99.0	Subtotal, direct obligations.....	43,672	46,648	44,596
99.0	Reimbursable obligations.....	1,674	1,700	1,630
99.9	Total obligations.....	45,346	48,348	46,226

Personnel Summary

Total number of full-time permanent positions.....	848	838	825
Total compensable workyears: Full-time equivalent employment.....	858	912	899

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8227-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....	65	54	24
Financing:				
21.40	Unobligated balance available, start of year.....	-21		
24.40	Unobligated balance available, end of year.....			
60.00	Budget authority (appropriation) (permanent, indefinite).....	44	54	24
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	65	54	24
72.40	Obligated balance, start of year.....	6	16	16
74.40	Obligated balance, end of year.....	-16	-16	-16
90.00	Outlays.....	55	54	24

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h).

Object Classification (in thousands of dollars)			
Identification code	1984 actual	1985 est.	1986 est.
12-8227-0-7-352			
11.1 Personnel compensation: Full-time permanent.....	51	32	16
12.1 Personnel benefits: Civilian.....	6	2	2
21.0 Travel and transportation of persons.....	4	2	2
23.2 Communications, utilities and other rent.....	4	3	3
25.0 Other services.....		14	
26.0 Supplies and materials.....		1	1
99.9 Total obligations.....	65	54	24
Personnel Summary			
Total number of full-time permanent positions.....	2	1	1
Total compensable workyears: Full-time equivalent employment.....	2	1	1

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriations as follows:

Agriculture: Soil Conservation Service: "River basin surveys and investigations."

WORLD AGRICULTURAL OUTLOOK BOARD

Federal Funds

General and special funds:

WORLD AGRICULTURAL OUTLOOK BOARD*

*See Part II for additional information.

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), **[\$1,642,000]** **\$1,619,000: Provided,** That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109].

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)			
Identification code	1984 actual	1985 est.	1986 est.
12-2100-0-1-352			
Program by activities:			
Direct program:			
00.01 Commodity and aggregate agricultural and food outlook and situation.....	1,515	1,676	1,619
01.01 Reimbursable program.....	47	55	57
10.00 Total obligations.....	1,562	1,731	1,676
Financing:			
11.00 Offsetting collections from: Federal funds...	—47	—55	—57
25.00 Unobligated balance lapsing.....	18		
39.00 Budget authority	1,533	1,676	1,619
Budget authority:			
40.00 Appropriation	1,533	1,642	1,619
44.20 Supplemental for civilian pay raises		34	
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	1,515	1,676	1,619
72.40 Obligated balance, start of year.....	394	377	450
74.40 Obligated balance, end of year.....	—377	—450	—453
77.00 Adjustments in expired accounts.....	—11		

90.00 Outlays, excluding pay raise supplemental.....	1,520	1,571	1,614
91.20 Outlays from civilian pay raise supplemental.....		32	2

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)			
	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	1,533	1,676	1,619
Outlays.....	1,520	1,603	1,616
Rescission proposal:			
Budget authority.....		—32	
Outlays.....		—32	
Total:			
Budget authority.....	1,533	1,644	1,619
Outlays.....	1,520	1,571	1,616

The World Agricultural Outlook Board (WAOB) was established to provide a single focal point for the Nation's economic intelligence related to domestic and international food and agriculture.

The objectives of the WAOB are to improve the consistency, objectivity, and reliability of outlook and situation material being disseminated to the public and to integrate and coordinate USDA domestic and international economic information assistance.

The WAOB carries out these objectives through daily market surveillance and special analyses of international and domestic agricultural developments, direct participation in the planning of research programs supporting outlook and situation activities, and coordination of all departmental activities relating to weather and climate and remote sensing.

The 1986 budget includes funds for data processing improvements and reductions for LANDSAT and Governmentwide management savings programs.

Object Classification (in thousands of dollars)			
Identification code	1984 actual	1985 est.	1986 est.
12-2100-0-1-352			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	972	1,082	1,016
11.3 Other than full-time permanent.....	39	26	26
11.9 Total personnel compensation.....	1,011	1,108	1,042
12.1 Personnel benefits: Civilian.....	109	122	115
21.0 Travel and transportation of persons.....	27	38	30
23.2 Communications, utilities, and other rent.....	63	73	76
24.0 Printing and reproduction.....	28	30	31
25.0 Other services.....	206	280	235
26.0 Supplies and materials.....	28	21	22
31.0 Equipment.....	43	4	68
99.0 Subtotal, direct obligations.....	1,515	1,676	1,619
99.0 Reimbursable obligations.....	47	55	57
99.9 Total obligations.....	1,562	1,731	1,676

Personnel Summary

Total number of full-time permanent positions.....	28	29	29
Total compensable workyears: Full-time equivalent employment.....	29	30	30

FOREIGN AGRICULTURAL SERVICE

Federal Funds

General and special funds:

FOREIGN AGRICULTURAL SERVICE*

*See Part II for additional information.

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$110,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[\$83,448,000]** *\$82,446,000: Provided, That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis. (7 U.S.C. 1762, 2201-02; 19 U.S.C. 2501; 22 U.S.C. 3963.)*

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

GENERAL SALES MANAGER

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

Not to exceed **[\$6,025,000]** *\$5,882,000* may be transferred from the Commodity Credit Corporation funds to support the General Sales Manager who shall work to expand and strengthen sales of United States commodities (including those of the Corporation) in world markets pursuant to existing authority (including that contained in the Corporation's charter), and that such funds shall be used by the General Sales Manager to carry out the above activities. The General Sales Manager shall report directly to the Board of Directors of the Corporation of which the Secretary of Agriculture is a member. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in titles I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit **[quarterly]** *annual* reports to the appropriate committees of Congress concerning such developments.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2900-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Foreign agricultural affairs	19,649	22,115	22,252
00.02	Foreign market information and access	10,860	11,890	11,473
00.03	Foreign market development	45,529	48,717	48,721
00.04	LANDSAT data	7,014	1,000	.....
00.91	Total direct program	83,052	83,722	82,446
01.01	Reimbursable program	6,307	385	1,385
10.00	Total obligations	89,359	84,107	83,831
Financing:				
11.00	Offsetting collections from: Federal funds ...	-6,307	-385	-1,385
25.00	Unobligated balance lapsing	931	.....	.....
39.00	Budget authority	83,983	83,722	82,446
Budget authority:				
40.00	Appropriation	83,983	83,448	82,446
44.20	Supplemental for civilian pay raises .....	.....	274	.....

Relation of obligations to outlays:

71.00	Obligations incurred, net	83,052	83,722	82,446
72.40	Obligated balance, start of year	48,058	56,583	56,583
74.40	Obligated balance, end of year	-56,583	-56,583	-56,387
77.00	Adjustments in expired accounts	-816	.....	.....
90.00	Outlays, excluding pay raise supplemental	73,711	83,448	82,642
91.20	Outlays from civilian pay raise supplemental .....	.....	274	.....

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	83,983	83,722	82,446
Outlays	73,711	83,722	82,642
Rescission proposal:			
Budget authority .....	.....	-424	.....
Outlays .....	.....	-424	.....
Total:			
Budget authority	83,983	83,298	82,446
Outlays	73,711	83,298	82,642

The Foreign Agricultural Service mission is to help American farmers and traders take maximum advantage of increased opportunities to sell U.S. agricultural commodities abroad and to help increase U.S. farm income.

Activities are conducted within five program areas:

Foreign agricultural affairs.—The Service maintains agricultural counselors, attachés or trade officers at 76 foreign posts to assist overseas development of markets for U.S. farm commodities. They work closely with numerous U.S. agricultural trade groups and maintain significant contacts with foreign governments and traders to promote market access for U.S. farm products. They also file annually about 4,000 comprehensive reports regarding foreign agricultural production, supply, demand, marketing and trade policy developments to keep U.S. agriculture, industry, and Government currently informed.

PROGRAM STATISTICS

	1984 actual	1985 estimate	1986 estimate
Number of countries covered	105	105	105
Number of trade and Government visitors	24,000	25,000	25,000
Number of posts accessible by telecommunications ..	15	22	30

Foreign market information and access.—This program forges a link between the Foreign Agricultural Affairs program and the agency's analytical/informational and market development planning/services functions that serve the U.S. agricultural community and Government decisionmakers. The analysis and timely release of periodicals on world commodity conditions allow U.S. farm and trade groups to have ready access to information that can be used as reliable sources to assess short-term changes in world agricultural supply conditions by commodity.

The analyses of world commodity conditions provide the information necessary to develop export marketing strategies that can be used not only by the Department to gain market access but to enhance the long term market development plans for major U.S. commodities.

Foreign market development.—This program provides funding support to 49 commodity associations (cooperators), 24 contractors participating in the export incentive program, 4 regional groups (representing 47 State departments of agriculture) and the National Association of State Departments of Agriculture. Under FAS guidance and supervision, these organizations conduct an extensive worldwide market development program on behalf of the U.S. farm sector. In addition, the Service develops and operates a worldwide system of multi-commodity promotional programs utilizing product exhibits, trade teams, trade services, market information programs, and trade referral services to expand overseas markets.

PROGRAM STATISTICS

	1984 actual	1985 estimate	1986 estimate
Number of commodity associations and firms actively working with FAS.....	74	71	73
Number of agricultural trade offices (ATO).....	12	12	13
Number of countries covered by ATO's.....	50	50	50
Number of visitors to ATO's.....	3,500	3,800	4,400
Number of trade leads generated.....	6,000	7,000	8,000

LANDSAT data.—In 1986, FAS intends to discontinue purchases of LANDSAT remote sensing data from direct appropriation in order to maintain current services in the overseas programs of the Foreign Agricultural Affairs and Foreign Market Development activities. Landsat imagery used to cover the Soviet Union will be purchased from funds made available by the Commodity Credit Corporation.

Object Classification (in thousands of dollars)

Identification code	12-2900-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	21,995	22,797	21,896
11.3	Other than full-time permanent.....	329	340	326
11.5	Other personnel compensation.....	462	492	487
11.8	Special personal services payments....	69	10	10
11.9	Total personnel compensation.....	22,855	23,639	22,719
12.1	Personnel benefits: Civilian.....	2,997	3,099	3,036
13.0	Benefits for former personnel.....	105	52	50
21.0	Travel and transportation of persons.....	2,623	2,906	2,956
22.0	Transportation of things.....	745	766	770
23.2	Communications, utilities, and other rent.....	3,965	4,410	4,657
24.0	Printing and reproduction.....	573	599	623
25.0	Other services.....	47,172	46,543	45,811
26.0	Supplies and materials.....	618	582	631
31.0	Equipment.....	1,396	1,116	1,183
42.0	Insurance claims and indemnities.....	2	10	10
99.0	Subtotal, direct obligations.....	83,052	83,722	82,446
99.0	Reimbursable obligations.....	6,307	385	1,385
99.9	Total obligations.....	89,359	84,107	83,831

Personnel Summary

Direct:			
Total number of full-time permanent positions.....	734	732	723
Total compensable workyears:			
Full-time equivalent employment.....	709	697	688
Full-time equivalent of overtime and holiday hours.....	2	2	2

Reimbursable:			
Total number of full-time permanent positions.....	113	1	1
Total compensable workyears: Full-time equivalent employment.....	108	1	1

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Program and Financing (in thousands of dollars)

Identification code	12-2901-0-1-352	1984 actual	1985 est.	1986 est.
Financing:				
17.00	Recovery of prior year obligations.....	-103		
21.40	Unobligated balance available, start of year.....	-40	-143	
24.40	Unobligated balance available, end of year..	143		
25.00	Unobligated balance lapsing.....		143	
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			
72.40	Obligated balance, start of year.....	177	74	
74.40	Obligated balance, end of year.....	-74		
78.00	Adjustments in unexpired accounts.....	-103		
90.00	Outlays		74	

OFFICE OF INTERNATIONAL COOPERATION
AND DEVELOPMENT

Federal Funds

General and special funds:

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT*

*See Part II for additional information.

For necessary expenses of the Office of International Cooperation and Development to coordinate, plan, and direct activities involving international development, technical assistance and training, and international scientific and technical cooperation in the Department of Agriculture, including those authorized by the Food and Agriculture Act of 1977 (7 U.S.C. 3291), [§5,038,000] \$3,790,000; and the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392). (7 U.S.C. 427, 450a, 450b, 1624, 1709, 1727, 1736, 1761, 2201, 2202.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3200-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	International agricultural development	1,671	1,725	427
00.02	International scientific and technical co-operation.....	3,328	3,313	3,363
00.91	Total direct program.....	4,999	5,038	3,790
Reimbursable program:				
01.01	Technical assistance and analyses to aid foreign development.....	23,483	23,478	24,658
01.02	Subsistence, tuitions, and training for foreign nationals in the United States.....	10,349	10,062	10,568
01.03	International research.....	83	60	
01.91	Total reimbursable program.....	33,915	33,600	35,226
10.00	Total obligations.....	38,914	38,638	39,016

General and special funds—Continued

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT—
Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-3200-0-1-352	1984 actual	1985 est	1986 est
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—33,334	—33,000	—34,626
14.00	Non-Federal sources.....	—581	—600	—600
25.00	Unobligated balance lapsing.....	17		
40.00	Budget authority (appropriation) ..	5,016	5,038	3,790
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	4,999	5,038	3,790
72.10	Receivables in excess of obligations, start of year.....	—40,853	—37,609	—37,209
74.10	Receivables in excess of obligations, end of year.....	37,609	37,209	37,222
77.00	Adjustments in expired accounts.....	—3,013		
90.00	Outlays.....	—1,258	4,638	3,803

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	5,016	5,038	3,790
Outlays.....	—1,258	4,638	3,803
Rescission proposal:			
Budget authority.....		—52	
Outlays.....		—52	
Total:			
Budget authority.....	5,016	4,986	3,790
Outlays.....	—1,258	4,586	3,803

The mission of the Office of International Cooperation and Development (OICD) is to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people.

International agricultural development.—OICD analyzes agricultural policy issues related to USDA's international agricultural development efforts and provides support for Cancun Presidential Agricultural Task Forces consulting with developing and middle-income nations on agricultural problems. The Agency also formulates and reviews food aid development activities supported by Public Law 480 Titles I and III agreements. The budget includes \$200 thousand for an agricultural information center in OICD.

International scientific and technical cooperation.—OICD manages the Department's bilateral exchange and cooperative research programs with foreign governments and institutions in order to strengthen the role of science and technology in the ongoing effort to stabilize world food supplies and to increase the efficiency with which world resources are used. Priorities and criteria for these programs are based on domestic research priorities, potential benefits to U.S. agricultural production, and the availability of desired technologies. OICD coordinates USDA's and the U.S. Government's participation in approximately 30 international organizations concerned with food, agriculture and rural development.

Reimbursable program.—OICD, utilizing USDA and university expertise, provides technical assistance and training to developing countries at the request of AID and international organizations. OICD manages technical assistance projects in over 50 countries, focusing on land and water management, crop and livestock production and marketing, forestry, pest control, resource conservation and other areas. OICD offers a technical and management training program in agriculture and rural development to participants from foreign countries and designees of international organizations.

Object Classification (in thousands of dollars)

Identification code	12-3200-0-1-352	1984 actual	1985 est.	1986 est
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	1,352	1,406	1,304
11.3	Other than full-time permanent.....	29	30	30
11.9	Total personnel compensation.....	1,381	1,436	1,334
12.1	Personnel benefits: Civilian.....	171	178	165
21.0	Travel and transportation of persons.....	695	559	585
22.0	Transportation of things.....	23	4	4
23.2	Communications, utilities, and other rent.....	97	101	106
24.0	Printing and reproduction.....	54	56	58
25.0	Other services.....	1,976	2,074	1,396
26.0	Supplies and materials.....	14	15	16
31.0	Equipment.....	85	89	93
41.0	Grants, subsidies, and contributions.....	503	526	33
99.0	Subtotal, direct obligations.....	4,999	5,038	3,790
99.0	Reimbursable obligations.....	33,915	33,600	35,226
99.9	Total obligations.....	38,914	38,638	39,016

Personnel Summary

Direct:			
Total number of full-time permanent positions.....	56	56	56
Total compensable workyears: Full-time equivalent employment.....	59	59	58
Reimbursements:			
Total number of full-time permanent positions.....	136	136	136
Total compensable workyears:			
Full-time equivalent employment.....	128	127	124
Full-time equivalent of overtime and holiday hours.....	2	2	2

[SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)]*

*See Part II for additional information.

[For payments in foreign currencies owed to or owned by the United States for market development research authorized by section 104(b)(1) and for agricultural and forestry research and other functions related thereto authorized by section 104(b)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b) (1), (3)), \$5,000,000: *Provided*, That this appropriation shall be available, in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), as amended by 5 U.S.C. 3109.]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1404-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Market development research (sec. 104(b)(1)).....	681	526	44
00.02	Agricultural and forestry research (sec. 104(b)(3)).....	5,893	3,974	333
00.03	Translation and dissemination of scientific publications (sec. 104(b)(3)).....	500	500	
10.00	Total obligations.....	7,074	5,000	377
Financing:				
21.40	Unobligated balance available, start of year.....	-3,390	-1,316	-1,316
24.40	Unobligated balance available, end of year..	1,316	1,316	939
40.00	Budget authority.....	5,000	5,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	7,074	5,000	377
72.40	Obligated balance, start of year.....	12,639	16,808	17,016
74.40	Obligated balance, end of year.....	-16,808	-17,016	-12,865
90.00	Outlays.....	2,905	4,792	4,528

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	5,000	5,000	
Outlays.....	2,905	4,792	4,528
Rescission proposal:			
Budget authority.....		-9	
Outlays.....		-9	
Total:			
Budget authority.....	5,000	4,991	
Outlays.....	2,905	4,783	4,528

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries. For 1986, no new budget authority is requested. This activity will be phased out over a four year period. Phase out costs will be funded from unobligated balances from prior years.

Object Classification (in thousands of dollars)

Identification code	12-1404-0-1-352	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent.....	43	45	25
12.1	Personnel benefits: Civilian.....	3	4	2
21.0	Travel and transportation of persons.....	142	97	50
22.0	Transportation of things.....	11	30	30
23.2	Communications, utilities, and other rent....	25	26	26
24.0	Printing and reproduction.....	1	1	1
25.0	Other services.....	433	452	210
26.0	Supplies and materials.....	15	16	16
31.0	Equipment.....	16	17	17
41.0	Grants, subsidies, and contributions.....	6,385	4,312	
99.9	Total obligations.....	7,074	5,000	377

Personnel Summary

Total number of full-time permanent positions.....	10	10	6
Total compensable workyears: Full-time equivalent employment.....	9	9	5

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8232-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....	5,866	7,900	7,083
Financing:				
21.40	Unobligated balance available, start of year.....	-3,309	-2,132	-2,132
24.40	Unobligated balance available, end of year..	2,132	2,132	2,132
60.00	Budget authority (appropriation) (permanent, indefinite).....	4,689	7,900	7,083
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	5,866	7,900	7,083
72.40	Obligated balance, start of year.....	2,272	1,971	1,971
74.40	Obligated balance, end of year.....	-1,971	-1,971	-1,971
90.00	Outlays.....	6,167	7,900	7,083

Miscellaneous funds are received from the Department of State and from Saudi Arabia and other developing countries for USDA development assistance and international research projects (22 U.S.C. 2392). The fiscal year 1986 program estimates reflect a reduced level of technical assistance requested by Saudi Arabia.

Object Classification (in thousands of dollars)

Identification code	12-8232-0-7-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	1,113	1,231	1,151
11.5	Other personnel compensation.....	171	290	282
11.9	Total personnel compensation.....	1,284	1,521	1,433
12.1	Personnel benefits: Civilian.....	157	172	162
21.0	Travel and transportation of persons.....	148	353	271
22.0	Transportation of things.....	134	152	148
23.2	Communications, utilities, and other rent....	25	20	11
24.0	Printing and reproduction.....		10	3
25.0	Other services.....	3,570	4,340	4,114
26.0	Supplies and materials.....	90	253	182
31.0	Equipment.....	153	459	260
41.0	Grants, subsidies, and contributions.....	305	620	499
99.9	Total obligations.....	5,866	7,900	7,083

Personnel Summary

Total number of full-time permanent positions.....	14	14	14
Total compensable workyears: Full-time equivalent employment.....	24	30	30

FOREIGN ASSISTANCE PROGRAMS

Facilities and funds of the Commodity Credit Corporation may by law be used in carrying out programs for exporting agricultural commodities.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended: Financing sales of agricultural commodities for dollars or for convertible foreign currency on credit terms (titles I and III); and supplying agricultural commodities for dispositions abroad (title II).

No agreements to finance sales under the authority of title I or programs of assistance under title II may be entered into after December 31, 1985.

Federal Funds

General and special funds:

PUBLIC LAW 480*

*See Part II for additional information.

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms pursuant to titles I and III of said Act, not more than **[\$1,021,000,000]** **\$1,030,000,000**; of which **[\$705,000,000]** **\$657,000,000** is hereby appropriated and the balance derived from proceeds from sales of foreign currencies and dollar loan repayments, repayments on long-term credit sales, carryover balances, and (2) commodities supplied in connection with dispositions abroad, pursuant to title II of said Act, not more than \$650,000,000, of which \$650,000,000 is hereby appropriated: *Provided*, That not to exceed **[10]** 15 per centum of the funds made available to carry out any title of this paragraph may be used to carry out any other title of this paragraph (*Additional authorizing legislation to be proposed.*)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2274-0-1-151	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Financing the sale of agricultural commodities for foreign currencies and for dollars on credit terms (titles I and III).....	803,690	1,106,000	1,030,000
00.02	Commodities supplied in connection with dispositions abroad (title II)	655,789	800,000	650,000
00.91	Total program level funded	1,459,479	1,906,000	1,680,000
01.01	Amount financed by balance in CCC and by receipts	-317,479	-316,000	-373,000
10.00	Total obligations (object class 25.0) ..	1,142,000	1,590,000	1,307,000
Financing:				
21.40	Unobligated balance available, start of year		-235,000	
24.40	Unobligated balance available, end of year..	235,000		
40.00	Budget authority (appropriation) ..	1,377,000	1,355,000	1,307,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,142,000	1,590,000	1,307,000
72.40	Obligated balance, start of year	247,333	303,940	303,940
74.40	Obligated balance, end of year	-303,940	-303,940	-303,940
90.00	Outlays	1,085,393	1,590,000	1,307,000

NOTES

Includes \$175 million for titles I and III as provided by Public Law 98-396 to be available until September 30, 1985, and \$60 million as provided by Public Law 98-332 to be available until March 31, 1985.

All amounts in the appropriation are paid to the Commodity Credit Corporation through which the financing of Public Law 480 transaction is accomplished.

Status of Direct Loans (in thousands of dollars)

Identification code	12-2274-0-1-151	1984 actual	1985 est.	1986 est.
Position with respect to limitation on obligations:				
1110	Limitation on obligations			
1130	Obligations exempt from limitation	806,251	1,012,000	921,500
1151	Obligations incurred, gross: Direct loans to the public	806,251	1,012,000	921,500

Cumulative balance of direct loans outstanding:

1210	Outstanding, start of year	8,801,406	9,268,945	10,030,437
New loans:				
1231	Disbursements for direct loans	748,464	1,012,000	921,500
1235	Deferred interest	57,787		
1251	Recoveries: Repayments and prepayments...	-338,712	-250,508	-274,570
1290	Outstanding, end of year	9,268,945	10,030,437	10,677,367

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted:			
Budget authority	1,377,000	1,355,000	1,307,000
Outlays	1,085,393	1,590,000	1,307,000
Supplemental under existing legislation:			
Budget authority		185,000	
Outlays		201,000	
Total:			
Budget authority	1,377,000	1,540,000	1,307,000
Outlays	1,085,393	1,791,000	1,307,000

RECONCILIATION OF PROGRAM LEVEL TO PROGRAM COSTS FUNDED BY CCC

(In thousands of dollars)

Titles I/III	1984 actual	1985 estimate	1986 estimate
Gross commodity costs	803,396	1,016,600	950,000
Ocean freight differential	69,497	109,000	108,500
Subtotal	872,893	1,125,600	1,058,500
Initial payments to exporters	-22,349	-19,600	-28,500
Total program level, current year	850,544	1,106,000	1,030,000
Prior year obligations financed	32,169	79,023	79,023
Obligations financed in succeeding year	-79,023	-79,023	-79,023
Total program costs, funded	803,690	1,106,000	1,030,000
Title II			
Commodity costs	506,048	518,200	425,600
Ocean and inland transportation	218,000	281,800	224,400
Total program level, current year	724,048	800,000	650,000
Prior year obligations financed	204,899	273,158	273,158
Obligations financed in succeeding year	-273,158	-273,158	-273,158
Total program costs, funded	655,789	800,000	650,000

Financing the sale of agricultural commodities for foreign currencies and for dollars on credit terms (titles I and III).—The Corporation finances all sales made pursuant to agreements concluded under title I, and may serve as the purchasing or shipping agent, or both, if the purchaser so requests. Sales are made to friendly countries—as defined in section 103(d) of the act—and must not displace expected commercial sales for cash dollars (secs. 103 (c) and (n)).

Agreements may not be made under title I in any calendar year which call for an appropriation to reimburse the Corporation in excess of \$1.9 billion, plus unused prior years' authorizations.

Whenever practicable, terms of agreements must require payment at time of delivery of not less than 5% of the purchase price in dollars or in currencies convertible to dollars. These initial payments are applied against costs to reduce appropriation requests.

When U.S.-flag vessels are required to ship commodities under this title, the Corporation will pay the differential between U.S.-flag rates and foreign-flag rates. In limited cases, full transportation costs to port of entry or point of entry abroad may be included along

with the cost of the commodity in the amount financed by CCC in order to ensure that U.S. food aid would reach the most needy recipients.

Use of foreign currency (title I).—Certain U.S. uses of foreign currencies are subject to the appropriation process. The Corporation is reimbursed for the dollar value of currencies so used. Proceeds from sales of foreign currencies and from dollar repayments of foreign currency loans are applied as a reduction in appropriation requests.

Financing sales of agricultural commodities for dollars or convertible foreign currencies on credit terms (title I).—Agreements are made with friendly countries for delivery in annual installments for not more than 10 years from the date of the agreement subject to the availability of the commodity.

Credit terms are to be no less favorable than those required by section 122 of the Foreign Assistance Act of 1961, as amended, for loans made under that section.

Repayments under dollar credit agreements are not more than 20 years with a grace period of not more than 2 years on repayment of principal. Convertible foreign currency terms permit repayment of up to 40 years with deferral of principal payments for up to 10 years. As payments are received each year, they are applied against current costs to reduce appropriation requests.

Total title I agreements made since inception to September 30, 1984, amount to \$14,052 million cost value, including ocean freight for shipment on U.S. ships. Major commodities are wheat, cotton, oils, rice, and feed grains. Payments received during the period amount to \$3,484.8 million, of which \$2,166.8 million was applied to principal and \$1,318.0 million to interest.

The following table reflects the composition of the combined appropriations (in thousands of dollars):

SALES FOR DOLLARS ON CREDIT TERMS

Item:	1984 actual	1985 estimate	1986 estimate
Expenses of shipments:			
Commodity costs: Long-term credit.....	748,464	997,000	921,500
Ocean freight and freight differential (support of U.S. Merchant Marine): Long-term credit.....	55,226	109,000	108,500
Total expenses of shipments.....	803,690	1,106,000	1,030,000
Deduct receipts:			
Proceeds from sales and use of currencies and loan repayments (foreign currency)	—40,409	—25,000	—16,600
Payments from foreign governments including interest, applied to reduce appropriation (long-term credit)	—333,677	—291,000	—356,400
Total foreign currency.....	—40,409	—25,000	—16,600
Total long-term credit.....	470,013	815,000	673,600
Total.....	429,604	790,000	657,000
Prior years' costs or funds brought or carried forward:			
1983: Funds: Long-term credit.....	—39,217		
1984: Funds: Long-term credit.....	186,613	—186,613	
1985: Funds: Long-term credit.....		11,613	—11,613
1986: Funds: Long-term credit.....			11,613
Foreign currency funds applied to long-term credit costs:			
Foreign currency.....	40,409	25,000	16,600
Long-term credit.....	—40,409	—25,000	—16,600

Appropriation or estimate: Long-term credit.....	577,000	615,000	657,000
Total.....	577,000	615,000	657,000

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to developing countries to meet famine or other emergency relief needs and to combat malnutrition. They are furnished through friendly governments, private voluntary agencies, foreign nonprofit voluntary agencies if no such U.S. agency is available, and intergovernmental organizations such as the United Nations World Food Program.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery to U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are unavailable, where ports cannot be used effectively, or where a substantial saving in costs or time can be obtained, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

Up to \$7.5 million each year may be used to buy foreign currencies accruing under title I of this act to meet costs directed to community and other self-help activities designed to alleviate the causes of the need for such aid. Such costs may not include personnel and administrative costs of cooperating sponsors, distributing agencies and recipient agencies.

Through December 31, 1984, appropriations totaling \$15,850 million were authorized. Beginning in 1982, no programs of assistance shall be undertaken under this title during any calendar year which call for an appropriation of more than \$1 billion to reimburse the Corporation. This limitation applies to costs incurred, including its investment in commodities (but only on the basis of a price not greater than the export market price of commodities acquired under a price support program), plus any amount by which programs of assistance undertaken under this title in the preceding calendar year have called or will call for appropriations in amounts less than authorized during the preceding year. Any incidental sales proceeds and proceeds from loss, damage, and other claims are applied against costs to reflect a reduction in appropriation requests.

The following reflects the composition of the appropriations (in thousands of dollars):

COMMODITIES SUPPLIED IN CONNECTION WITH DISPOSITIONS ABROAD

Item:	1984 actual	1985 estimate	1986 estimate
Expenses of shipments:			
Commodity Credit Corporation stocks and other costs in connection with commodities supplied.....	460,913	518,200	425,600
Ocean transportation.....	194,870	281,800	224,400
Total expenses of shipments.....	655,783	800,000	650,000

General and special funds—Continued

PUBLIC LAW 480—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

COMMODITIES SUPPLIED IN CONNECTION WITH DISPOSITIONS ABROAD—Continued

Purchase of foreign currencies for use in self-help activities	6		
Total program costs	655,789	800,000	650,000
Prior years' costs or funds brought or carried forward:			
1983: Funds	—208,116		
1984: Funds	352,327	—352,327	
1985: Funds		292,327	—292,327
1986: Funds			292,327
Appropriation or estimate	800,000	740,000	650,000

AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES*

(INCLUDING TRANSFERS OF FUNDS)

*See Part II for additional information.

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301-1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); and laws pertaining to the Commodity Credit Corporation, [§50,857,000] \$335,177,000: *Provided*, That [in addition] not to exceed [§344,199,000] \$335,177,000 may be transferred to [and merged with] this [appropriation] account from the Commodity Credit Corporation fund [for a total of \$395,056,000]: *Provided further*, That, subject to the approval of the Secretary of Agriculture, in addition not to exceed \$46,000,000 may be transferred to this account from the Commodity Credit Corporation to replace unrealized estimated receipts from user fees: *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this [appropriation] account: *Provided further*, That [this appropriation] these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds [appropriated or] made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations. (7 U.S.C. 135b, 442-445, 447-449, 450j-l, 608c, 624, 1282, 1421-33, 1441-49, 1691-92, 1701-10, 1721-24, 1731-36f, 1781-87, 1838, 1851-54, 1856-57, 1859; 15 U.S.C. 712a, 713a-4-713a-13, 714-714p; 31 U.S.C. 841, 846-852, 866-868; 40 U.S.C. App. A203, A401-5; 50 U.S.C. App. 1917; Public Law 96-108, 93 Stat. 835; Public Law 96-528, 94 Stat. 3111; Public Law 97-103, 95 Stat. 1467; Public Law 97-370, 96 Stat. 1787; Public Law 98-151, 97 Stat. 965.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3300-0-1-351	1984 actual	1985 est	1986 est.
Program by activities:				
00.01	Program formulation and appraisal.....	16,425	16,385	15,695
00.02	Operation of supply adjustment, conservation, and price support programs.....	381,767	380,836	364,815
00.03	Inventory management and merchandising..	45,723	45,612	43,693
00.04	Warehouse examination.....	2,560	6,445	6,185
10.00	Total obligations	446,475	449,278	430,388
Financing:				
Offsetting collections from:				
Federal funds:				
11.00	Commodity Credit Corporation fund....	—357,093	—343,898	—335,177
11.00	Other	—27,970	—35,526	—35,140
14.00	Non-Federal sources.....	—11,100	—18,997	—60,071
25.00	Unobligated balance lapsing	1,780		
40.00	Budget authority (appropriation) ..	52,092	50,857	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	50,312	50,857	
72.40	Obligated balance, start of year	53,072	49,041	41,680
74.40	Obligated balance, end of year	—49,041	—41,680	—6,377
77.00	Adjustments in expired accounts.....	—3,852		
90.00	Outlays.....	50,491	58,218	35,303

NOTES

Includes \$2,560 thousand in 1984 for transfer of warehouse examination function from Agricultural Marketing Service on May 13, 1984. Also includes \$40 thousand in 1985 for activities transferred to Office of Transportation on December 23, 1984.

Excludes \$301 thousand in 1985 for activities transferred to Office of Transportation on December 23, 1984. Comparable amount for 1984 is \$251 thousand.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)			
	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	52,092	50,857	
Outlays	50,491	58,218	35,303
Rescission proposal:			
Budget authority		—100	
Outlays		—100	
Total:			
Budget authority	52,092	50,757	
Outlays	50,491	58,118	35,303

This account includes funds to cover expenses of programs administered by, and functions assigned to, the Service. The funds consist of direct appropriation, transfers from the Commodity Credit Corporation (CCC), user fees, and miscellaneous advances from other sources. This is a consolidated account for administrative expenses of national, commodity, State, and county offices.

Program formulation and appraisal.—The supply adjustment, conservation, and commodity support programs, and the management and merchandising of commodities acquired under the support program, have a tremendous impact on the national and (to a lesser extent) the international economy. This activity provides for constant review of the effectiveness of these programs. It also provides for the analysis of data to formulate more effective programs.

Operation of supply adjustment, conservation, and price support programs.—This activity includes all functions dealing with the administration of programs carried out through the farmer committee system, including: (a) developing program regulations and procedures;

(b) holding meetings with employees and producers to discuss new programs or changes in existing programs; (c) collecting and compiling basic data for individual farms; (d) establishing individual farm allotments, bases, and yields; (e) notifying producers of established allotments, bases, and yields; (f) determining farm marketing quotas; (g) handling appeals; (h) conducting referendums and certifying results; (i) accepting farmer certifications and checking compliance; (j) accepting producer applications for participation in commodity price stabilizing programs; (k) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (l) processing producer requests for conservation cost-sharing; (m) processing commodity loan and storage facility loan documents and issuing checks; and (n) processing deficiency and diversion payments and issuing checks.

Inventory management and merchandising.—This activity includes: (a) overall management of CCC-owned commodities; (b) selling commodities; (c) donating commodities; and (d) accounting for loans and commodities.

Warehouse examination.—This activity provides for the examination of warehouses licensed under the U.S. Warehouse Act and non-licensed warehouses storing CCC-owned or pledged commodities. ASCS examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the U.S. Warehouse Act and any CCC storage agreements.

Automated data processing.—ASCS is introducing a major new ADP and communications system in support of CCC operations. Most data processing and accounting for CCC programs are currently performed in a large centralized facility in Kansas City, to which county offices send copies of transaction documents for recordation. Most work in county and State offices is performed manually. For the past three years, tests have been conducted using equipment in county offices. A cost benefit analysis was completed showing significant savings and increased productivity from using automated equipment. All offices in three States will be equipped and the operational concepts and implementation plans will be validated prior to nationwide automation of State and county offices. Contract award for the automation equipment occurred in 1984, with delivery and system implementation targeted for early 1985 through mid-1986. This effort is an integral part of a broader Information Resources Management Plan. Another major facet of the plan is the establishment of a joint ASCS-FAS data base, which includes information on local production of, and foreign demand for, agricultural commodities. Equipment purchases for these new systems will represent capital investment under the statutory authority of the Commodity Credit Corporation Charter Act.

The fiscal year 1986 budget for salaries and expenses reflects the impact of zero funding for ASCS conservation programs and the proposed elimination of the direct appropriation component of the consolidated account. The budget also includes for fiscal year 1986 the establishment of user fees to partly support administrative funding for ASCS. Fees would be tied to functions

performed in county offices that result in direct producer benefits such as loans and payments.

Object Classification (in thousands of dollars)

Identification code	12-3300-0-1-351	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	67,529	74,361	69,954
11.3	Other than full-time permanent	6,951	6,663	5,129
11.5	Other personnel compensation	999	1,164	1,184
11.9	Total personnel compensation.....	75,479	82,188	76,267
12.1	Personnel benefits: Civilian.....	9,545	10,417	9,770
13.0	Benefits for former personnel.....	352	632	1,131
21.0	Travel and transportation of persons.....	3,952	4,875	5,129
22.0	Transportation of things	475	503	481
23.1	Standard level user charges		135	114
23.2	Communications, utilities, and other rent....	7,655	10,230	11,595
24.0	Printing and reproduction	2,299	3,501	3,596
25.0	Other services	14,764	15,258	14,862
26.0	Supplies and materials	3,378	4,859	6,523
31.0	Equipment	648	543	603
41.0	Grants, subsidies, and contributions.....	327,899	316,124	300,304
42.0	Insurance claims and indemnities.....	25	13	13
43.0	Interest and dividends	4		
99.9	Total obligations.....	446,475	449,278	430,388

Personnel Summary

Total number of full-time permanent positions.....	2,481	2,485	2,427
Total compensable workyears:			
Full-time equivalent employment	2,795	2,820	2,670
Full-time equivalent of overtime and holiday hours	36	32	32

RURAL CLEAN WATER PROGRAM

Program and Financing (In thousands of dollars)

Identification code	12-3337-0-1-304	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	281	3,000	3,000
Financing:				
21.40	Unobligated balance available, start of year	-18,771	-18,490	-15,490
24.40	Unobligated balance available, end of year..	18,490	15,490	12,490
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net	281	3,000	3,000
72.40	Obligated balance, start of year	38,366	33,478	27,478
74.40	Obligated balance, end of year.....	-33,478	-27,478	-19,478
90.00	Outlays.....	5,169	9,000	11,000

This experimental Rural Clean Water Program (RCWP), authorized by the Appropriation Acts of 1980 (Public Law 96-108) and 1981 (Public Law 96-528), is a cooperative endeavor among farmers, various USDA agencies and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas. The RCWP provides long-term financial and technical assistance to landowners and operators to improve water quality and to meet water quality goals.

Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Full funding is provided for all approved projects.

General and special funds—Continued

RURAL CLEAN WATER PROGRAM—Continued

Technical assistance is provided by the Soil Conservation Service, Forest Service, Extension Service, and others.

Under the RCWP, participants agree to install and maintain Best Management Practices (BMP's) which reduce or control water pollution, as specified in an approved water quality plan.

The effectiveness of BMP's in reducing identified pollutants entering a stream or lake or leaving their source is evaluated under the ongoing program.

【AGRICULTURAL CONSERVATION PROGRAM】

【For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q), and sections 1001-1004, 1006-1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501-1504, 1506-1508, and 1510), and including not to exceed \$15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$190,000,000, to remain available until expended for agreements, excluding administration but including technical assistance and related expenses, except that no participant in the Agricultural Conservation Program shall receive more than \$3,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community: *Provided*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further*, That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: *Provided further*, That not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities" approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913 to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.】

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3315-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Cost-sharing assistance and technical assistance to farmers.....	185,065	227,062	.....
00.02	Technical assistance.....	563	18	.....
10.00	Total obligations.....	185,628	227,080	.....
Financing:				
17.00	Recovery of prior year obligations.....	-37	.....	.....
21.40	Unobligated balance available, start of year.....	-32,708	-37,080	.....
24.40	Unobligated balance available, end of year..	37,080	.....	.....
25.00	Unobligated balance lapsing.....	37	.....	.....
40.00	Budget authority (appropriation) ..	190,000	190,000	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	185,628	227,080	.....
72.40	Obligated balance, start of year.....	152,566	158,106	188,186
74.40	Obligated balance, end of year.....	-158,106	-188,186	-55,186
78.00	Adjustments in unexpired accounts.....	-37	.....	.....
90.00	Outlays.....	180,051	197,000	133,000

The primary objectives of the program are: (1) to help assure a continued supply of food and fiber necessary for a strong and healthy economy and people, (2) to facilitate sound resource management systems through soil and water conservation, (3) to control erosion and sedimentation from agricultural land, (4) to control pollution from animal wastes, (5) to encourage voluntary compliance by agricultural producers with State and Federal requirements to solve point and nonpoint sources of pollution, (6) to improve water quality, (7) to help achieve national priorities in the National Environmental Policy Act, (8) to help achieve national priorities in the Federal Water Pollution Control Act, and (9) to encourage the energy conservation measures specified in the Energy Security Act of 1980.

The program is carried out in line with the National Program for Soil and Water Conservation (NCP), which emphasizes erosion control, water conservation, and upstream flood protection. Along with annual agreements, cost sharing is authorized for long-term agreements of 3-10 years, or shorter term agreements of 3-5 years. On the shorter term agreements, the conservation plan of operation (CPO) applies only to a portion of the farm rather than the entire farm. Annual payments are authorized for 10-year wetland agreements.

The program is administered in each county by the ASC county committee, with review and approval by State ASC committees and the Secretary, and in consultation with other agencies. For the 1985 ACP, county committees, in consultation with the county conservation review group and community committee persons, submitted their proposal for practices (including land, water, and related resource management practices having significant energy conserving effects) and changes from the previous year's program to State committees for review. The State committees, after reviewing county recommendations with the State conservation review group, sent State recommended changes to the national level for review by the Secretary. However,

no changes in the national program or practices were provided to the State and county committees for their use in carrying out the 1985 program.

The 1985 program targets financial and technical assistance to areas with the most critical resource problems, while maintaining a base program throughout the country. In addition, it utilizes \$20 million of ACP funding for long-term (5–10 years) conservation measures on highly erodible land. It also includes \$6 million for special projects to control erosion and improve water quality.

The 1985 program is expected to serve 10.1 million acres. Practices identified specifically to abate soil erosion are expected to prevent approximately 85.9 million tons of erosion.

The fiscal year 1986 Budget proposes to terminate this program.

Object Classification (in thousands of dollars)			
Identification code	12-3315-0-1-302	1984 actual	1985 est. 1986 est.
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
41.0	Grants, subsidies, and contributions	185,065	227,062
ALLOCATION TO FOREST SERVICE			
Personnel compensation:			
11.1	Full-time permanent	47	1
11.3	Other than full-time permanent	1	.....
11.9	Total personnel compensation	48	1
12.1	Personnel benefits: Civilian	7	1
25.0	Other services	— 57	.....
41.0	Grants, subsidies, and contributions	685	16
44.0	Refunds	— 120	.....
99.0	Total obligations, Forest Service	563	18
99.9	Total obligations	185,628	227,080

Note.—Reflects activity funded from 1982 allocation account carryover balances.

Personnel Summary

ALLOCATION TO FOREST SERVICE			
Total number of full-time permanent positions	1	1	.....
Total compensable workyears: Full-time equivalent employment	1	1	.....

【WATER BANK PROGRAM】

【For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301-1311), \$8,800,000, to remain available until expended.】

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)			
Identification code	12-3320-0-1-302	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations (object class 41.0)	8,835	9,747
Financing:			
21.40	Unobligated balance available, start of year	— 982	— 947
24.40	Unobligated balance available, end of year	947	.....
40.00	Budget authority (appropriation) ..	8,800	8,800

Relation of obligations to outlays:			
71.00	Obligations incurred, net	8,835	9,747
72.40	Obligated balance, start of year	42,338	41,139 40,686
74.40	Obligated balance, end of year	— 41,139	— 40,686 — 32,549
90.00	Outlays	10,034	10,200 8,137

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act, approved December 19, 1970, as amended by Public Law 96-182, approved January 2, 1980.

The Secretary of Agriculture, through designated ASCS county offices, uses program funds to enter into 10-year agreements with landowners and operators for the conservation of specified wetlands. Provisions exist to renew agreements for additional periods, to make annual payments on agreements, and under certain conditions to increase payment rates in the fifth year of a contract or at the time of renewal.

The 1985 program is expected to bring 52,270 acres under agreement. This would be accomplished through the signing of 485 agreements with landowners.

The 1986 budget proposes to terminate this program.

CROPLAND ADJUSTMENT PROGRAM

Program and Financing (in thousands of dollars)

Identification code	12-3335-0-1-351	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Cost-sharing assistance to farmers (costs-obligations) (object class 41.0)	15	.....
Financing:			
25.00	Unobligated balance restored	— 15	.....
39.00	Budget authority .....	.....	.....
Relation of obligations to outlays:			
71.00	Obligations incurred, net	15	.....
90.00	Outlays	15	.....

The Cropland Adjustment Program was authorized by the Food and Agriculture Act of 1965 which expired with the 1970 crop year. Under this program, agreements for periods of 5 and up to 10 years were approved only in 1966 and 1967. The last of these agreements expired in 1977. The 1984 activity represents restoration of funds to pay a previously denied claim ruled valid by the courts.

EMERGENCY CONSERVATION PROGRAM

Program and Financing (in thousands of dollars)

Identification code	12-3316-0-1-453	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations (object class 41.0)	17,139	15,550
Financing:			
21.40	Unobligated balance available, start of year	— 13,689	— 15,550

General and special funds—Continued

EMERGENCY CONSERVATION PROGRAM—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-3316-0-1-453	1984 actual	1985 est.	1986 est.
24.40	Unobligated balance available, end of year..	15,550		
40.00	Budget authority (appropriation) ..	19,000		
Relation of obligations to outlays:				
71.00	Obligations incurred, net	17,139	15,550	
72.40	Obligated balance, start of year	6,525	8,175	12,362
74.40	Obligated balance, end of year	-8,175	-12,362	
90.00	Outlays	15,488	11,363	12,362

This program was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201-05). The appropriation provides special funds for sharing the cost of emergency measures to deal with cases of severe damage to farms and rangelands resulting from natural disasters.

Assistance is made available to treat new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use. Also, assistance is available for measures to provide for or conserve water to be used for agricultural purposes during periods of severe drought as determined by the Deputy Administrator, State and County Operations, ASCS.

Under the 1984 program, cost-sharing assistance was provided in 37 States to treat farmlands damaged by floods, tornadoes, hurricanes, and drought. The 1985 program is expected to rehabilitate approximately 303,500 acres of farmland damaged by natural disaster.

The fiscal year 1986 Budget proposes to terminate this program.

【DAIRY INDEMNITY PROGRAM】*

*See Part II for additional information.

【For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, \$100,000: *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government.】

Note.—A regular 1985 appropriation for this account has not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3314-0-1-351	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Indemnity payments to dairy farmers	1,010	100	
00.02	Indemnity payments to manufacturers of dairy products	398		
10.00	Total obligations (object class 41.0) ..	1,408	100	
Financing:				
25.00	Unobligated balance lapsing	392		
40.00	Budget authority (appropriation) ..	1,800	100	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,408	100	
72.40	Obligated balance, start of year	1,041		
77.00	Adjustments in expired accounts	-7		
90.00	Outlays	2,442	100	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)				
	1984 actual	1985 estimate	1986 estimate	
Enacted/requested:				
Budget authority	1,800	100		
Outlays	2,442	100		
Rescission proposal:				
Budget authority		-88		
Outlays		-88		
Total:				
Budget authority	1,800	12		
Outlays	2,442	12		

Under this program indemnification payments are made to dairy farmers and manufacturers of dairy products.

The Dairy Indemnity Program was authorized under 78 Stat. 508 in 1964, and has been extended through September 30, 1985, by the Agriculture and Food Act of 1981 (Public Law 97-98). Payments are made to farmers who are directed to remove their milk from commercial markets because the milk contains residues of chemicals which have been registered and approved for use by the Federal Government, of other chemicals, of nuclear radiation, or of nuclear fallout. The authority also provides that indemnification may be paid for cows producing such milk.

No funds are requested for 1986.

【FORESTRY INCENTIVES PROGRAM】

【For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, \$12,500,000, to remain available until expended, as authorized by this Act.】

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743 making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3336-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Cost-share assistance and technical assistance to landowners	12,217	13,624	
00.02	Technical assistance (allocation to Forest Service)	144	13	

10.00	Total obligations	12,361	13,637	.....
Financing:				
21.40	Unobligated balance available, start of year	-998	-1,137	.....
24.40	Unobligated balance available, end of year	1,137	.....	.....
40.00	Budget authority (appropriation) ..	12,500	12,500	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	12,361	13,637	.....
72.40	Obligated balance, start of year	14,701	16,236	16,430
74.40	Obligated balance, end of year	-16,236	-16,430	-4,436
90.00	Outlays	10,826	13,443	11,994

This program was authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101). The objectives of the program are to bring private nonindustrial forest land under intensified management, to increase timber production, to assure adequate supplies of timber products, and to enhance other forest resources.

The Forestry Incentives Program shares up to 65 percent of the cost of tree planting and timberstand improvement. The percentage cost-shared depends on the rate set in a particular State and county by the Agricultural Stabilization and Conservation (ASC) Committee, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. The program is administered by ASCS with technical assistance from Forest Service.

Under the 1985 program, cost-sharing will be provided to farmers for planting trees on 142,200 acres and improving the timberstand on 58,300 acres of forest.

The fiscal year 1986 Budget proposes to terminate this program.

Object Classification (in thousands of dollars)

Identification code	12-3336-0-1-302	1984 actual	1985 est.	1986 est.
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE				
41.0	Grants, subsidies, and contributions	12,217	13,624	.....
ALLOCATION TO THE FOREST SERVICE				
Personnel compensation:				
11.1	Full-time permanent	39	1	.....
11.3	Other than full-time permanent	3	.....	.....
11.9	Total personnel compensation	42	1	.....
12.1	Personnel benefits: Civilian	6	1	.....
21.0	Travel and transportation of persons	6	.....	.....
25.0	Other services	-48	.....	.....
26.0	Supplies and materials	-12	.....	.....
41.0	Grants, subsidies, and contributions	150	11	.....
99.0	Total obligations, Forest Service	144	13	.....
99.9	Total obligations	12,361	13,637	.....

Personnel Summary

ALLOCATION TO THE FOREST SERVICE				
Total number of full-time permanent positions	1	.....	.....	.....
Total compensable workyears: Full-time equivalent employment	1	.....	.....	.....

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as herein-after provided:

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743 making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

FEDERAL CROP INSURANCE CORPORATION

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES*

*See Part II for additional information.

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), **[\$200,000,000] \$239,234,000: Provided,** That not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i). (7 U.S.C. 1501-1520.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2707-0-1-351	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Underwriting, actuarial, and program development	20,086	26,804	26,260
00.02	Reinsured companies	64,654	108,189	134,802
00.03	Agency sales and service agreements	49,535	23,491	33,871
00.04	Loss adjustment	43,329	42,018	44,301
00.91	Total direct program	177,604	200,502	239,234
01.01	Reimbursable program .....	.....	.....	.....
10.00	Total obligations	177,604	200,502	239,234
Financing:				
25.00	Unobligated balance lapsing	22,396	.....	.....
39.00	Budget authority	200,000	200,502	239,234
Budget authority:				
40.00	Appropriation	200,000	200,000	239,234
44.20	Supplemental for civilian pay raises .....	.....	502	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	177,604	200,502	239,234
72.40	Obligated balance, start of year	49,108	95,121	95,121
74.40	Obligated balance, end of year	-95,121	-95,121	-95,121
77.00	Adjustments in expired accounts	-5,082	.....	.....
90.00	Outlays, excluding pay raise supplemental	126,508	200,000	239,234
91.20	Outlays from civilian pay raise supplemental .....	.....	502	.....

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	200,000	200,502	239,234
Outlays	126,508	200,502	239,234

General and special funds—Continued

ADMINISTRATIVE AND OPERATING EXPENSES*—Continued

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS—Continued

	[In thousands of dollars]		
	1984 actual	1985 estimate	1986 estimate
Proposed for later transmittal under proposed legislation:			
Budget authority			-74,977
Outlays			-74,977
Rescission proposal:			
Budget authority		-1,906	
Outlays		-1,906	
Total:			
Budget authority	200,000	198,596	164,257
Outlays	126,508	198,596	164,257

This appropriation finances the administrative and operating expenses of the Corporation to provide funds to establish and maintain rates and coverages for 19,100 county programs in over 3,000 counties and to continue development of sales policies. Crop insurance in force is estimated to increase from \$8.6 billion in crop year 1985 to \$10.1 billion in crop year 1986, and the estimated insured acres are expected to increase from 54 million in crop year 1985 to 63.1 million in crop year 1986.

The Corporation's long-term objective is to provide the maximum number of farm producers with crop insurance coverage, on an actuarially sound basis, as protection against essentially all risks and economic losses resulting from uncontrollable natural hazards.

For fiscal year 1986, the appropriation for administrative and operating expenses will enable the Corporation to provide for growth in the expanded crop insurance program to an estimated 23 percent farmers' participation, bringing the program closer to attaining its long-term objective. The 1986 appropriation is the first year of a 5-year phase-out of all Federal operating subsidies. The objective is to fully privatize the delivery of crop insurance by 1990.

The major portion of administrative and operating expenses is to support delivery systems which rely heavily on the private sector as provided by the Federal Crop Insurance Act of 1980 under section 507(c).

The delivery systems are:

Reinsured companies which enable insurance companies to provide the insurance marketing, distribution, servicing, training, quality control, and loss adjustment functions. The companies also share with Federal Crop Insurance Corporation, to a limited extent, in both profits and losses. It is estimated that reinsured companies will handle about 80 percent of the total premium during crop year 1986. For crop year 1985, approximately 50 companies or groups will be writing crop insurance with reinsurance from FCIC; and

Agency sales and service agreement, also known as the "master marketing agreement." Under this type of agreement, private insurance companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and services. They are compensated on a commission basis. It is estimated that these agreements will account for about 20 percent of the total premium for crop year 1986. FCIC anticipates that about 60 organizations will be involved in master marketing agreements with a total of about 8,000 agents for crop year 1986.

In addition, in areas where an adequate private sales and service force is not available, FCIC may ask other USDA agencies to sell and service all-risk crop insurance through existing county offices.

As the private sector becomes more involved in the all-risk crop insurance program, it is expected that the companies will be able to "risk" more of their funds thus reducing the cost to the Government and at the same time reach the Corporation's goal of providing all-risk crop insurance to as many farm producers as possible.

The 1986 estimate includes savings from consolidation of administrative support services as part of 1986 budget management reforms.

Object Classification (in thousands of dollars)				
Identification code	12-2707-0-1-351	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	18,447	22,642	22,151
11.3	Other than full-time permanent	10,471	8,616	6,886
11.5	Other personnel compensation	727	857	838
11.9	Total personnel compensation	29,645	32,115	29,875
12.1	Personnel benefits: Civilian	3,404	4,270	3,973
13.0	Benefits for former personnel	611	178	178
21.0	Travel and transportation of persons	5,887	7,677	6,508
22.0	Transportation of things	325	546	508
23.2	Communications, utilities, and other rent	3,140	3,840	3,840
24.0	Printing and reproduction	1,214	2,060	1,526
25.0	Other services	131,769	147,652	190,662
26.0	Supplies and materials	743	960	960
31.0	Equipment	848	1,200	1,200
42.0	Insurance claims and indemnities	17	3	3
43.0	Interest and dividends	1	1	1
99.9	Total obligations	177,604	200,502	239,234

Personnel Summary			
Total number of full-time permanent positions	673	768	768
Total compensable workyears:			
Full-time equivalent employment	1,314	1,300	1,200
Full-time equivalent of overtime and holiday hours	22	30	30

ADMINISTRATIVE AND OPERATING EXPENSES
(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)				
Identification code	12-2707-2-1-351	1984 actual	1985 est.	1986 est.
Program by activities:				
00.02	Reinsured companies.....	.....	.....	— 19,849
00.03	Agency sales and service agreements.....	.....	.....	— 18,000
00.04	Loss adjustment.....	.....	.....	— 37,128
10.00	Total obligations (object class 25.0) .....	.....	.....	— 74,977
Financing:				
40.00	Budget authority (appropriation) .....	.....	.....	— 74,977
Relation of obligations to outlays:				
71.00	Obligations incurred, net .....	.....	.....	— 74,977
90.00	Outlays.....	.....	.....	— 74,977

Legislation will be proposed to increase the producer's share of premium cost in order to phase out Federal payment of administrative expenses and premium subsidy over a 5-year period beginning in 1986.

SUBSCRIPTION TO CAPITAL STOCK*

*See Part II for additional information.

Program and Financing (in thousands of dollars)

Identification code	12-2708-0-1-351	1984 actual	1985 est.	1986 est.
Financing:				
39.00	Budget authority			
Budget authority:				
40.00	Appropriation	50,000		
41.00	Transferred to other accounts	—50,000		
43.00	Appropriation (adjusted)			
Relation of obligations to outlays:				
71.00	Obligations incurred, net			
90.00	Outlays			

The Federal Crop Insurance Act of 1980 (Public Law 96-365) provides for the capitalization of the Corporation of \$500 million. No funds are requested for 1986. Supplemental appropriations for fiscal year 1985 will be sought to cover unanticipated losses.

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND*

*See Part II for additional information.

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, [\$110,000,000] \$135,000,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-4085-0-3-351	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Indemnities	406,762	254,000	145,800
00.02	Inspection and adjustment		21,000	
00.03	Agents' commissions		21,000	
00.04	Other expenses	10,222	869	778
00.91	Subtotal, direct program	416,984	275,869	146,578
Reimbursable program:				
01.01	Reinsurance losses, net	174,055	290,000	340,200
10.00	Total obligations	591,039	565,869	486,778
Financing:				
14.00	Offsetting collections from: Non-Federal sources	—230,769	—322,028	—377,281
21.98	Unobligated balance available, start of year: Fund balance	—374,523	—174,253	—40,412
24.98	Unobligated balance available, end of year: Fund balance	174,253	40,412	65,915
39.00	Budget authority	160,000	110,000	135,000
Budget authority:				
40.00	Appropriation (premium subsidy)	85,117	110,000	135,000
40.00	Appropriation (agents' commissions)	20,251		
40.00	Appropriation (loss adjustment)	4,632		
42.00	Transferred from other accounts	50,000		
43.00	Appropriation (adjusted)	160,000	110,000	135,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	360,270	243,841	109,497
72.10	Receivables in excess of obligations, start of year	—23,156	—112,027	—90,413

74.10	Receivables in excess of obligations, end of year	112,027	90,413	90,413
90.00	Outlays	449,141	222,227	109,497

Note.—Includes \$54.8 million in premium subsidy appropriations as of September 30, 1984, which can only be used for premium subsidy.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	160,000	110,000	135,000
Outlays	449,141	222,227	109,497
Supplemental under existing legislation:			
Budget authority		50,000	
Outlays			
Proposed for later transmittal under proposed legislation:			
Budget authority			—42,952
Outlays			—25,817
Total:			
Budget authority	160,000	160,000	92,048
Outlays	449,141	222,227	83,680

The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501-1520), to carry out the provisions of the Federal Crop Insurance Act, as amended. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance, and to provide the means for the research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The crop insurance programs are planned, developed, and monitored by the FCIC headquarters office located in Washington, DC and its national operations office located in Kansas City, MO. The program is administered in the field through 18 field operations offices and 11 field actuarial offices. Sales and servicing of contracts at the county level are performed primarily by agents operating under agency sales and service agreements (master marketing agreements) and agents of reinsured companies. In those areas where these delivery systems are not in place, other USDA agencies may be used to market and service the program. The adjustment of losses is performed by FCIC employees, adjusters under contract with FCIC, and reinsured companies under contract with FCIC. Also, ASCS will perform some loss adjustment support on a reimbursable basis for the Corporation. Detailed administrative accounting is performed by the National Finance Center in New Orleans, LA, and program accounting and statistical functions, as well as the underwriting and actuarial analysis work, are performed in Kansas City, MO.

Budget program.—The program for 1986 (crop year 1985) will provide crop insurance protection to farmers amounting to approximately \$8.6 billion on the following commodities: Almonds, apples, barley, beans, citrus, combined crop, corn, cotton, cranberries, flax, forage

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

production, forage seeding, grain sorghum, grapes, hybrid seeding, oats, peaches, peanuts, peas, peppers, potatoes, prevented planting, raisins, rice, rye, soybeans, stake tomatoes, sugar beets, sugarcane, sunflower, sweet corn, tobacco, tomatoes, and wheat. The program for 1986 is the first year of a five-year phase-out of all Federal premium subsidies. The objective is to fully privatize the delivery of crop insurance by 1990.

The 1985 appropriation provides sufficient funding for crop year 1985 to insure 54 million acres with an estimated \$540 million in total premium income, including \$135 million in premium subsidy. However, in order to allow for the broadest possible participation in the crop insurance program, the Corporation will use \$21 million from premium income to pay agents' commissions and request an appropriation for restoration in subsequent years.

The following table compares the scope of the insurance operations planned for 1985 and 1986, as compared with 1984. Amounts in the 1984 column are actual, and pertain to the 1983 crop year. The 1985 column pertains to the 1984 crop year, and reflects levels of participation that can be achieved with the 1985 appropriations. The 1986 column pertains to the 1985 crop year.

	1984 fiscal year (1983 crop year) actual	1985 fiscal year (1984 crop year) estimate	1986 fiscal year (1985 crop year) estimate
Number of States.....	49	49	49
Number of counties.....	3,000	3,010	3,012
Insurance in force (thousands).....	4,365,698	6,000,000	8,640,000
Insured acreage (thousands).....	27,837	44,000	54,000
Farmers premium (thousands) ¹	226,940	328,000	405,000
Premium subsidy (thousands) ¹	64,598	110,000	135,000
Total premium (thousands) ¹	291,538	438,000	540,000
Indemnities (thousands) ¹	584,788	544,000	486,000
Loss ratio.....	2.01	1.24	.90

¹ Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

Financing.—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the issuance of capital stock which provides working capital for the Corporation.

Receipts which are for deposit to this fund come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, the direct cost of adjusting crop losses and agents' commissions. However, an appropriation will be requested in subsequent years for payments made from premium income used for loss adjustment costs and/or agents' commissions as provided by section 516(a) of the Federal Crop Insurance Act, as amended.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act as amended. The purpose of the subsidy is to encourage the broadest possible participation of farm producers in the crop insurance program. Subsidies are paid by the Corporation based upon 30 percent of each producer's premium (reduced, where applicable, for hail and fire exclusion or State agency subsidy) on any coverage, under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised average yield, as adjusted.

PREMIUM AND SUBSIDY

(In thousands of dollars)

	1984 fiscal year (1983 crop year) actual	1985 fiscal year (1984 crop year) estimate	1986 fiscal year (1985 crop year) estimate
Premiums:			
Producer premium.....	226,940	328,000	405,000
(Government operations).....	(143,767)	(135,543)	(121,500)
(Reinsurance operations) ¹	(83,173)	(192,457)	(283,500)
Amount of subsidies.....	64,598	110,000	135,000
(Government operations).....	(40,343)	(45,457)	(40,500)
(Reinsurance operations) ¹	(24,255)	(64,543)	(94,500)
Total premiums.....	291,538	438,000	540,000
Indemnities.....	584,788	544,000	486,000
(Government operations).....	(406,762)	(254,000)	(145,800)
(Reinsurance operations) ¹	(178,026)	(290,000)	(340,200)

¹ These amounts will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance losses.

The annual appropriation for the administrative and operating expenses of the Corporation is presented earlier in the budget.

Operating results and financial condition.—As of September 30, 1984, the Corporation reflected a deficit of \$624.4 million. This compares with a deficit of \$264.1 million at September 30, 1983.

For crop years 1948 through 1983, indemnities (\$2,835.3 million) exceeded premium income (\$2,290.6 million) by \$544.7 million; the loss ratio for the period was 1.24. Indemnity costs exceeded premiums in 18 of the 36 years.

The following table summarizes the insurance operations by commodities for 1984, 1985, and 1986:

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS, BY COMMODITIES

(In thousands of dollars)

	1984 fiscal year (1983 crop year) actual	1985 fiscal year (1984 crop year) estimate	1986 fiscal year (1985 crop year) estimate
Almonds.....	—1,954	139	—80
Apples.....	—526	—121	—90
Barley.....	—605	—8,056	—718
Beans.....	—261	—732	—131
Citrus.....	547	—13,375	—72
Citrus trees.....	—	—5,308	—369
Combined crop.....	61	256	—54
Corn.....	—46,445	—11,405	—5,026
Cotton.....	—14,572	—3,272	—911
Flax.....	—14	—80	—28
Forage production.....	—14	2	—1
Forage seeding.....	—2	—6	—1
Grain sorghum.....	—4,382	—3,873	—661
Grapes.....	—1,251	—358	—89
Hybrid seeding.....	—2,040	—149	—55
Oats.....	—34	—453	—102
Peaches.....	—92	—235	—79
Peanuts.....	—713	544	—1,260
Peas.....	—20,704	—267	—41
Peppers.....	—	—66	—32
Popcorn.....	—	—95	—15
Potatoes.....	—862	—1,214	—166
Prevented planting.....	—7	—23	—1
Raisins.....	—761	1,716	—396
Rice.....	—5,377	—1,538	—90
Rye.....	3	4	—3
Soybeans.....	—107,068	—34,998	—6,536
Sugar beets.....	25	—260	—93
Sugarcane.....	—3,953	—139	—85
Sunflowers.....	—754	—1,078	—300
Sweet corn.....	—30	25	—13
Tobacco.....	—41,944	—1,172	—1,977
Tomatoes.....	—86	—4,008	—105

Walnuts		18	-3
Wheat	-9,180	-28,880	-4,717
Premiums over indemnities	-262,995	-118,457	-24,300
(Premium subsidy expenses)	(40,343)	(45,457)	(40,500)
Inspection and loss adjustment costs	-46		
Agents' commissions	-1,075	-21,000	
Other income or expense, net (-)	-3,108	-869	-778
Reinsurance underwriting gain (+) of loss (-)	-68,421	-38,972	10,081
Premium subsidy expense—reinsurance	-24,255	-64,543	-94,500
Net income or loss (-)	-360,270	-243,841	109,497

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Revenue	230,769	322,028	377,281
Expense	591,039	565,869	486,778
Net income or loss (-) for the year	-360,270	-243,841	109,497

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Treasury balance	351,368	62,227	-50,000	-24,497
Accounts receivable, net	194,318	272,266	405,000	450,000
Deferred charges	549,375	468,665	486,000	540,000
Total assets	1,095,061	803,158	841,000	965,503
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities	497,070	229,232	260,513	299,513
Deferred credits	288,009	454,372	540,000	600,000
Provisions for surety losses	75	75	75	75
Total liabilities	785,154	683,679	800,588	899,588
Government equity:				
Selected equities:				
Non-interest-bearing capital	400,000	450,000	450,000	450,000
Paid-in capital	37,978	37,978	37,978	37,978
Appropriation (premium subsidy)	173,031	258,148	368,148	503,148
Appropriation (agents' commissions)	27,658	47,909	47,909	47,909
Appropriation (loss adjustment) ..		4,632	4,632	4,632
Retained earnings	-264,144	-624,414	-868,255	-977,752
Total Government equity	374,523	174,253	40,412	65,915
Unobligated balance—total Government equity	374,523	174,253	40,412	65,915

Analysis of changes in Government equity:

Non-interest-bearing capital:			
Start of year		400,000	450,000
Capital stock issuance		50,000	
End of year		450,000	450,000
Paid-in capital: Start of year		211,009	321,009
Transactions:			
Appropriation (premium subsidy)		85,117	110,000
Appropriation (agents' commissions)		20,251	
Appropriation (loss adjustment)		4,632	
Adjustments			
End of year		321,009	431,009
Total capital		771,009	881,009
Retained earnings: Start of year		-264,144	-624,414
Transactions:			
Net income or loss (-) for the year		-360,270	-243,841
Adjustments			

End of year	624,414	868,255	-977,752
Total Government equity (end of year)	174,253	40,412	65,915

¹ Includes \$54.8 million in premium subsidy appropriations, as of September 30, 1984, which can only be used for premium subsidy.

Object Classification (in thousands of dollars)

Identification code	12-4085-0-3-351	1984 actual	1985 est.	1986 est.
25.0	Other services: Agent's commissions		21,000	
42.0	Insurance claims and indemnities—Government operations	406,762	254,000	145,800
42.0	Insurance claims and indemnities—Reinsurance	174,876	290,000	340,200
92.0	Undistributed (provision for doubtful accounts and adjustments of prior year expenses)	9,401	869	778
99.9	Total obligations	591,039	565,869	486,778

FEDERAL CROP INSURANCE CORPORATION FUND

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-4085-2-3-351	1984 actual	1985 est.	1986 est.
Program by activities:				
00.02	Inspection and adjustment			37,128
00.03	Agents' commissions			37,849
10.00	Total obligations (object class 25.0)			74,977
Financing:				
14.00	Offsetting collections from: Non-Federal sources			-117,929
40.00	Budget authority (appropriation—premium subsidy)			-42,952
	Relation of obligations to outlays:			
71.00	Obligations incurred, net			-42,952
74.10	Receivables in excess of obligations, end of year			17,135
90.00	Outlays			-25,817

Legislation will be proposed to increase the producer's share of premium cost in order to phase out Federal payment of administrative expenses and premium subsidy over a five-year period beginning in 1986.

COMMODITY CREDIT CORPORATION

Federal Funds

General and special funds:

REIMBURSEMENT FOR NET REALIZED LOSSES

Beginning in fiscal year 1986 and thereafter, there is appropriated an amount sufficient to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$8,350,000,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

Public enterprise funds:

COMMODITY CREDIT CORPORATION FUND*

*See Part II for additional information.

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Program and Financing (in thousands of dollars)

Identification code	12-4336-0-3-351	1984 actual	1985 est.	1986 est.
Program by activities:				
Support and related programs:				
Operating expenses:				
00.01	Commodity purchases and related inventory acquisitions	7,812,019	2,094,049	1,823,131
00.02	Storage, transportation, and other obligations not included above	713,460	511,899	682,076
00.03	Producer storage payments	278,204	507,575	339,333
00.04	Animal and plant disease eradication (APHIS)	66,700	4,200	2,300
00.05	Export guarantee non-rescheduled claims	521,743	1,318,109	1,522,253
Direct producer payments:				
00.06	Feed grains	1,666,800	2,177,000	2,383,000
00.07	Wheat	1,727,840	2,369,826	2,150,000
00.08	Rice	335,655	436,830	330,000
00.09	Cotton	487,083	941,000	165,000
00.10	Dairy	335,552	602,000	.....
00.11	Operating expense	369,589	350,929	342,042
Interest:				
00.12	Treasury	1,610,020	2,162,415	2,086,855
00.13	Other	71	.....	.....
00.91	Total operating expenses	15,924,736	13,475,832	11,825,990
Capital investment:				
01.01	Direct loans: Storage facility	652	151	.....
01.02	Direct loans: Commodity	5,130,460	8,890,861	8,507,435
01.03	Direct loans: Guarantees rescheduled	182,806	.....	.....
01.04	Purchase of administrative equipment	4,696	46,700	36,100
01.05	Export credit sales program (obligations)	146,909	325,000	.....
01.91	Total capital investment	5,465,523	9,262,712	8,543,535
01.92	Total obligations, support and related programs	21,390,259	22,738,544	20,369,525
Special activities:				
Operating expenses:				
02.01	Commodities transferred from support program and commodities procured	460,913	635,000	425,600
Other operating expenses:				
02.02	Interest	6,343	3,627	3,587
02.03	Other program and operating expenses	1,124,182	1,567,438	1,351,338
02.91	Total special activities	1,591,438	2,206,065	1,780,525
10.00	Total obligations	22,981,697	24,944,609	22,150,050
Financing:				
Offsetting collections from: Support and related programs:				
Federal funds:				
11.00	Sales to special activities	—460,913	—635,000	—425,600
11.00	Interest revenue	—7,491	—45,073	—41,757
11.00	Other revenue	—15,414	—3,452	—3,452
Non-Federal sources (62 Stat. 1070):				
14.00	Sales and other proceeds	—9,885,147	—1,219,384	—83,160
14.00	Interest revenue	—563,261	—410,965	—438,720
14.00	Other revenue	—27,917	—30,660	—250,450
14.00	Realization of assets	—841	—1,000	—1,000

14.00	Loans repaid	—10,607,177	—6,389,946	—6,604,828
14.00	Loan collateral forfeited	—1,032,024	—823,925	—2,801,983
Repayments by importers:				
14.00	Short-term export credit sales program	—61,420	—419,237	—265,124
14.00	Intermediate export credit sales program	—2,431	—738	—2,189
14.00	Interest revenue	—5,702	—110,861	—56,482
Special activities:				
Federal funds:				
11.00	Reimbursements received	—40,409	—25,000	—16,600
11.00	Advance from foreign assistance programs	—1,377,000	—1,540,000	—1,307,000
14.00	Non-Federal sources (62 Stat. 1070)	—333,677	—291,000	—356,400
31.00	Redemption of debt	1,598,907	.....	.....
39.00	Budget authority	159,780	12,998,368	9,495,305
Budget authority:				
Current: Support and related programs:				
40.00	Appropriation	9,673,636	8,350,000	.....
40.47	Portion applied to debt reduction	—66,205	—8,350,000	.....
40.49	Portion applied to liquidate contract authority	—9,607,431	.....	.....
43.00	Appropriation adjusted .....	.....	.....	.....
Permanent: Special activities:				
60.00	Appropriation: Reimbursement to Commodity Credit Corporation, National Wool Act (permanent, indefinite, special fund)	93,575	131,959	99,065
Permanent: Support and related programs:				
67.10	Authority to borrow (permanent, 15 U.S.C. 713a-4)	66,205	12,866,409	9,396,240
69.10	Contract authority (permanent, indefinite) .....	.....	.....	.....
Relation of obligations to outlays:				
Support and related programs:				
71.00	Obligations incurred, net	—1,279,479	12,648,303	9,394,780
Obligated balance, start of year:				
72.47	Authority to borrow	3,592,582	3,687,653	—408,702
72.49	Contract authority	9,511,186	.....	.....
72.98	Fund balance: Commodity Credit Corporation	—285,084	—340,596	—340,596
73.47	Obligated balance transferred, net	—1,008,619	—1,812,638	—925,549
Obligated balance, end of year:				
74.47	Authority to borrow	—3,687,653	408,702	2,361,339
74.98	Fund balance: Commodity Credit Corporation	340,596	340,596	340,596
Special activities:				
71.00	Obligations incurred, net	—159,648	350,065	100,525
72.49	Obligated balance, start of year:	.....	.....	.....
73.47	Contract authority	96,245	134,137	184,591
74.49	Obligated balance transferred, net	329,499	—200,546	—12,684
74.98	Obligated balance, end of year:	.....	.....	.....
74.98	Contract authority	—134,137	—184,591	—171,907
90.00	Total outlays	7,315,488	15,031,085	10,522,393

Note—Contingent liabilities, commitments and other obligations do not become charges against the statutory borrowing authority until they result in borrowing from Treasury. Only that portion of borrowing authority is available which has not been charged by actual borrowing.

Status of Unfunded Contract Authority (in thousands of dollars)

Unfunded balance, start of year	9,607,431	.....	.....
Contract authority .....	.....	.....	.....

Appropriation to liquidate contract authority	9,607,431		
Unfunded balance, end of year			

Status of Direct Loans (in thousands of dollars)**SHORT AND MEDIUM TERM EXPORT
LOANS**

Position with respect to limitation on obligations:			
1110	Limitation on obligations		
1130	Obligations exempt from limitation	146,909	325,000
1151	Obligations incurred, gross: Direct loans to the public	146,909	325,000

Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	739,661	822,719
	New loans:		
1231	Disbursements for direct loans	143,862	325,000
1235	Deferred interest	3,047	
1251	Recoveries: Repayments and prepayments	-63,851	-419,975
			-267,313
1290	Outstanding, end of year	822,719	727,744
			460,431

COMMODITY LOANS

Position with respect to limitation on obligations:			
1110	Limitation on obligations		
1130	Obligations exempt from limitation	5,130,460	8,890,861
1151	Obligations incurred, gross: Direct loans to the public	5,130,460	8,890,861
			8,507,435

Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	14,075,771	7,855,548
1231	New Loans: Disbursements for direct loans	5,130,460	8,890,861
			8,507,435
1251	Recoveries: Repayments and prepayments	-11,344,235	-6,906,823
			-9,098,400
1261	Adjustments: Write-offs for default	-6,448	-98
1290	Outstanding, end of year	7,855,548	9,839,488
			9,248,523

STORAGE FACILITY LOANS

Position with respect to limitation on obligations:			
1110	Limitation on obligations		
1130	Obligations exempt from limitation	652	151
1151	Obligations incurred, gross: Direct loans to the public	652	151

Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	1,008,091	715,933
1231	New Loans: Disbursements for direct loans	652	151
1251	Recoveries: Repayments and prepayments	-292,810	-293,797
			-263,709
1290	Outstanding, end of year	715,933	422,287
			158,578

RESCHEDULED GUARANTEED LOANS

Position with respect to limitation on obligations:			
1110	Limitation on obligations		
1130	Obligations exempt from limitation	182,806	
1152	Obligations for guarantee claims	182,806	

Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	183,061	363,711
1232	New loans: Disbursements for guarantee claims	182,806	

1251	Recoveries: Repayments and prepayments	-2,156	-13,251	-44,702
1290	Outstanding, end of year	363,711	350,460	305,758

Status of Guaranteed Loans (in thousands of dollars)**CCC EXPORT GUARANTEE PROGRAM**

Position with respect to limitation on commitments:				
2111	Limitation on commitments: Loans by private lenders			
2131	Commitments exempt from limitation: Loans by private lenders	4,179,488	5,000,000	5,000,000
2151	New commitments, gross: Loans by private lenders	4,179,488	5,000,000	5,000,000

Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	4,357,476	4,689,873	7,430,977
2231	Loans guaranteed: New loans guaranteed	3,282,283	5,000,000	5,000,000
2250	Repayments and prepayments	-2,767,080	-2,258,896	-3,384,899
2261	Adjustments: Terminations for re-scheduling	-182,806		
2290	Outstanding, end of year	4,689,873	7,430,977	9,046,078

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year	4,689,873	7,430,977	9,046,078
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SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	159,780	12,998,368	9,495,305
Outlays	7,315,488	15,031,085	10,522,393
Rescission proposal:			
Budget authority			
Outlays		-31	
Total:			
Budget authority	159,780	12,998,368	9,495,305
Outlays	7,315,488	15,031,054	10,522,393

The Corporation was created to stabilize, support, and protect farm income and prices, to help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers, and to help in their orderly distribution (15 U.S.C. 714-714p). It may make available materials and facilities required in connection with the production and marketing of agricultural commodities and may be used to administer and to temporarily finance numerous special activities.

The Corporation's capital stock of \$100 million is held by the United States. Under present law, up to \$25 billion may be borrowed from the U.S. Treasury to finance operations.

The 1986 estimate includes savings from improving the control and timing of disbursements as part of 1985 budget management reforms. Permanent indefinite appropriation authority is requested to cover all net realized losses. The estimate for 1986 is zero, except for the National Wool Act, which already has permanent indefinite appropriation authority. Appropriations to CCC for net realized losses have no effect on budget authority.

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Budget assumptions.—The following general assumptions form the basis for the Corporation's 1985 and 1986 budget estimates: (a) Production and national income will rise both in 1985 and 1986 from the present level; (b) generally, exports of agricultural commodities in 1986 will be higher than 1985 levels; (c) yields for the 1985 crops are based on recent averages adjusted for trend; (d) acreage allotments and marketing quotas will be in effect for the 1985 crops of certain kinds of tobacco; (e) poundage quotas will be in effect for the 1985 crop of peanuts; and (f) any 1985 farm bill legislation will cover 1986 and subsequent crops and will not significantly affect fiscal year 1986 outlays, except for dairy and wheat.

It is difficult to forecast with accuracy requirements for the year ending September 30, 1986, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

PROGRAMS OF THE CORPORATION

The basic functions of the Corporation include the following programs for which appropriations are made for net realized losses sustained:

Program	1986 Estimate (In thousands of dollars)		
	Gross obligations	Net outlays	Net realized loss for year
Short-term and intermediate export credit sales.....	.....	—267,313	.....
Commodity loans.....	8,507,435	2,211,018	.....
Storage facilities.....	.....	—263,709	.....
Supply.....	371	—82	—19
Feed grain payments.....	2,383,000	1,084,000	2,383,000
Wheat payments.....	2,150,000	1,024,000	2,150,000
Rice payments.....	330,000	172,560	330,000
Cotton payments.....	165,000	491,000	165,000
Other support and related.....	4,352,891	2,277,629	3,114,732
Other items not distributed by program:			
Interest.....	2,086,855	1,603,694	1,549,896
All other.....	393,973	2,089,071	117,679
Total.....	20,369,525	10,421,868	9,810,288

Support and related stabilization programs.—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. 714 et seq.), the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.), and the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.).

Support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco. The Agricultural Act of 1949, as amended, also requires support of the following nonbasic commodities: honey, milk, barley, oats, rye, grain sorghum, sugar, soybeans, and seed cotton. The National Wool Act of 1954, as amended (7 U.S.C. 1781–87), requires support for wool and mohair. Support for other nonbasic commodities is discretionary. The support program may also include

operations to remove and dispose of surplus agricultural commodities in order to stabilize prices at levels not in excess of those permissible by law.

The principal methods of providing support are loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy his obligation without further payment.

Direct purchases are also made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended (7 U.S.C. 1431 note), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431).

Deficiency payments.—Producers may receive deficiency payments in addition to Commodity Credit Corporation loans and purchases for feed grains, rice and wheat; and in addition to loans for cotton. Producers of feed grains and wheat must comply with acreage limitation provisions or acreage set-aside provisions, and normal crop acreage (NCA) requirements, if in effect, in order to be eligible for loans, purchases, and payments. Producers of cotton and rice must comply with acreage limitation provisions, if in effect, in order to be eligible for loans, purchases, and payments. The total amount of payments, excluding disaster payments, which a person is entitled to receive under one or more of the annual programs for feed grains, wheat, upland cotton, ELS cotton, and rice for each of the 1984 and 1985 crops of these commodities shall not exceed \$50 thousand. Since crop insurance is available in all 3,000 agricultural counties, no disaster payments are estimated for fiscal years 1985 and 1986.

The Agricultural Act of 1949, as amended, establishes minimum target prices for the 1982 through 1985 crops of the following commodities—wheat, corn, upland cotton, rice, and, beginning with the 1984 crop of ELS cotton, and establishes minimum loan and purchase levels for wheat, feed grains, and rice, and establishes minimum loan levels for upland cotton and ELS cotton. Deficiency payments for each of the commodities are required when the target price for the commodity exceeds the national average market price or the loan rate, whichever is higher. The target prices for grain sorghum and oats and, if designated by the Secretary, barley, are established at a level which is fair and reasonable in relation to the target prices established for corn.

Dairy.—The Agricultural Act of 1949, as amended by the Dairy and Tobacco Adjustment Act of 1983, provides for a revised dairy price support program. For the period beginning December 1, 1983, and ending September 30, 1985, the support price is \$12.60 per hundredweight. On April 1, 1985, the Secretary of Agriculture may reduce the support price in effect by 50 cents per hundredweight if estimates of CCC purchases of milk or milk products for the twelve-month period beginning on such date is in excess of six billion pounds milk equivalent. On July 1, 1985, the Secretary may reduce the support price in effect by 50 cents per hundredweight if

estimates of CCC purchases of milk or milk products for the twelve-month period beginning on such date is in excess of five billion pounds milk equivalent. Also on July 1, 1985, the Secretary may increase the price support rate in effect by not less than 50 cents per hundredweight if the estimate of CCC purchases of milk or milk products for the twelve-month period beginning on such date is five billion pounds milk equivalent or less and the Secretary determines the increase to be necessary to assure an adequate supply of milk. In order to reduce the quantity of milk marketed for commercial use, a milk diversion program is in effect for the fifteen-month period beginning January 1, 1984, and ending March 31, 1985. Under this program, a milk producer who complies with a contract entered into with CCC to reduce milk production by 5 to 30 percent of the producer's established milk base will receive \$10 per hundredweight for the milk not produced. To encourage the adjustment of milk production to levels consistent with national demand, the Secretary is required to provide for a reduction of 50 cents per hundredweight in the price received on all milk marketed for commercial use by producers to be made during the period December 1, 1983, through March 31, 1985. The funds represented by the reduction are to be remitted to CCC to offset the payments made to producers under the milk diversion programs.

DATA ON SUPPORT AND RELATED PROGRAMS

(In thousands of dollars)

Item	1984 actual	1985 estimate	1986 estimate
Loans made	5,313,918	8,891,012	8,507,435
Loans repaid	10,607,177	6,389,946	6,604,828
Loan collateral forfeited	1,032,024	823,925	2,801,983
Loans outstanding, end of year	8,935,192	10,612,235	9,712,859
Acquisitions	8,844,043	2,921,342	4,627,718
Cost of commodities sold	10,114,677	1,807,623	839,417
Cost of commodities donated	1,598,618	2,188,404	1,776,178
Inventory, end of year	7,358,172	6,283,487	8,293,006
Investment in loans and inventory, end of year	16,293,364	16,895,722	18,005,865
Direct producer payments	2,117,034	7,325,272	2,771,560
Net expenditures	7,183,529	14,932,020	10,421,868
Realized losses	8,518,364	11,614,409	9,810,288

Commodity export.—The Corporation promotes the export of agricultural commodities and products through sales for dollars or foreign currency, payments, extension of credit, assumption of certain risks, and conduct of other operations with respect to the exportation of commodities. Such commodities and products may be those held in private trade channels as well as those acquired by the Corporation. These programs are carried out under section 5(f) of the Corporation's charter. The 1986 estimates include increased revenues from administratively increasing loan fees to 5 percent.

Storage facilities.—Pursuant to sections 4(h) and 5(b) of the Commodity Credit Corporation Charter Act, the Corporation has authority to make secured loans for the purchase, construction, or remodeling of facilities for storage and care of commodities on the farm.

Supply and foreign purchase.—The Corporation can procure from domestic and foreign sources food, agricultural commodities, and products and related materials to supply the needs of Federal agencies, foreign governments, and private and international relief agencies, under section 5 (b) and (c) of the Commodity Credit Corporation Charter Act.

Set-aside program and acreage limitation program.—The Agricultural Act of 1949, as amended, authorizes the Secretary to establish, through the Corporation, acreage limitation programs on the 1982 through 1985 crops of upland cotton, rice, and on ELS cotton beginning with the 1984 crop. In addition, the Secretary is authorized to implement a set-aside or acreage limitation program for the 1982 through 1985 crops of wheat and feed grains.

The Agricultural Programs Adjustment Act of 1984 requires that the Secretary establish an acreage limitation program for the 1984 and 1985 crops of wheat. The Secretary is also required to implement an acreage limitation program for the 1985 crop of rice if estimated ending stocks exceed a specified level.

Land diversion payments.—To assist in adjusting the acreage of commodities to desirable goals, the Secretary is authorized by the Agricultural Act of 1949, as amended, to make land diversion payments, through the Corporation, to producers of the 1982 through 1985 crops of wheat, feed grains, upland cotton, rice, and to producers of ELS cotton beginning with the 1984 crop who devote to approved conservation uses acreages of cropland in addition to those required to be so devoted under the set-aside programs.

The Agricultural Programs Adjustment Act of 1984 requires that the Secretary implement a land diversion program for the 1984 and 1985 crops of wheat. The Secretary is also required to implement a land diversion program for the 1985 crops of feed grains, upland cotton, and rice if estimated ending stocks of these commodities exceed specified levels.

Grain reserves.—A producer-owned grain reserve program for wheat and feed grains provides 3-year extended loans to producers. Producers receive annual storage payments under the contract. Program provisions establish when interest is charged and a market price level at which storage payments cease and producers may repay their loans.

Loan operations.—The following table reflects commodity and storage facility loan operations of the Corporation (in thousands of dollars):

Item	1984 actual	1985 estimate	1986 estimate
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	15,083,862	8,571,481	10,261,775
Add loans made	5,131,112	8,891,012	8,507,435
Deduct:			
Loans repaid	10,605,021	6,376,695	6,560,126
Acquisition of loan collateral	1,032,024	823,925	2,801,983
Writeoffs	6,448	98	.....
Total loans outstanding, gross, end of year	8,571,481	10,261,775	9,407,101
Loans outstanding, gross, end of year:			
Commodity Credit Corporation	8,571,481	10,261,775	9,407,101
Allowance for losses	-21,729	-26,494	-24,841
Loans receivable, net (support and storage facilities)	8,549,752	10,235,281	9,382,260

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs (in thousands of dollars):

AGRICULTURAL COMMODITIES			
Item	1984 actual	1985 estimate	1986 estimate
On hand, start of year, gross	10,214,424	7,358,172	6,249,487

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

AGRICULTURAL COMMODITIES—Continued

Item	1984 actual	1985 estimate	1986 estimate
Acquisitions:			
Forfeiture of loan collateral	1,032,024	827,293	2,801,983
Excess of collateral acquired over loans canceled	33,515	36,789	130,259
Purchases	7,675,766	1,871,531	1,572,546
Transfers and exchanges, net	-28,498	-9	-2,603
Carrying charges:			
Charges to inventory	131,236	151,738	122,929
Storage and handling (nonadd)	397,969	362,423	506,618
Transportation (nonadd)	109,816	104,563	139,325
Total acquisitions	8,844,043	2,887,342	4,625,114
Dispositions:			
Domestic donations to:			
Families	726,654	1,012,847	679,203
Institutions	194,650	266,336	257,476
School lunch	416,747	419,931	406,761
Total domestic donations	1,338,051	1,699,114	1,343,440
Export donations	260,567	489,290	432,738
Special programs: Title II, Public Law 480	460,913	635,000	425,600
Other sales	9,046,605	892,384	83,160
Net loss or gain (—) on sales and transfers	594,159	280,239	330,657
Total sales and transfers	10,101,677	1,807,623	839,417
Total dispositions	11,700,295	3,996,027	2,615,595
On hand, end of year, gross	7,358,172	6,249,487	8,259,006
Allowance for losses	-4,063,424	-3,450,967	-4,560,263
On hand, end of year, net	3,294,748	2,798,520	3,698,743

STRATEGIC AND CRITICAL MATERIALS

	1984 actual	1985 estimate	1986 estimate
On hand, start of year, gross	13,000		34,000
Acquisitions:			
Delivered by barter contractors		34,000	
Dispositions:			
National Defense stockpile	13,000		
On hand, end of year		34,000	34,000

Operating expenses.—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred for the services of: the Agricultural Stabilization and Conservation Service, General Sales Manager, and other agencies of the Department engaged in the Corporation's activities; and the General Accounting Office for audit. Additional expenses are incurred for ASCS county offices for work related to programs of the Corporation, other ASCS expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of property which the Corporation owns or in which it has an interest. These expenses are treated as program expenses. Such program expenses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; work relating to CCC programs performed on a contract or fee basis by Agricultural Stabilization and Conservation Service; and special services performed by other Federal agencies within and outside this Department. Most of these general expenses, including storage and handling,

transportation, inspection, classing, and grading and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 (7 U.S.C. 447-449) by the States from Corporation stocks to feed resident wildlife threatened with starvation, through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however.

SPECIAL ACTIVITIES

These activities are carried out under authority of section 5(g) of the Corporation's charter act and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted.

A summary of such current activities not included under other designated activities is as follows (in thousands of dollars):

Item	1986 estimate	
	Gross obligations	Outlays (reimbursable)
(1) (a) Sale of agricultural commodities for foreign currencies		-16,600
(1) (b) Financing sales of agricultural commodities for convertible foreign currencies and for dollars on credit terms	1,030,000	673,600
(2) Commodities supplied in connection with dispositions abroad	650,000	650,000
(3) National Wool Act	100,525	100,525
Total	1,780,525	1,407,525

The Corporation receives appropriations or reimbursement for cost of these activities as described under each.

Activities currently being carried out are as follows (see Foreign Assistance programs for details of items (1) and (2):

(1) *Financing sales of agricultural commodities for convertible foreign currencies and for dollars on credit terms (titles I and III, Public Law 480).*

(2) *Commodities supplied in connection with dispositions abroad (title II, Public Law 480).*

(3) *National Wool Act.*—Under the National Wool Act of 1954, as amended, support of prices of wool and mohair is mandatory. The Corporation makes payments to producers in order to bring the national average price received by all producers up to the support price required under the act.

COST OF THE NATIONAL WOOL ACT

Item	[Dollars in thousands]		
	1984 actual	1985 estimate	1986 estimate
Marketings on which payments made:			
Shorn wool (thousand pounds)	113,146	88,200	79,800
Unshorn lambs (thousand cwts)	4,715	4,000	4,000
Mohair (thousand pounds)	11,368	10,400	12,200
Amount of payments:			
Shorn wool	99,397	75,000	78,200
Unshorn lambs	17,432	13,600	15,700
Mohair	6,373	4,400	600

Promotional and advertising program ¹ (non-add)	5,740	4,796	4,541
Total payments	123,202	93,000	94,500
Administrative expense	2,414	2,438	2,438
Interest expense	6,343	3,627	3,587
Total	131,959	99,065	100,525

¹ Deductions from producer payments for promotional advertising and selected marketing development activities.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70 percent of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual or estimated payments compared with this limitation are as follows (in thousands of dollars):

Item	1984 actual	1985 estimate	1986 estimate
70% of customs receipts on wool and wool manufactures, cumulative from Jan. 1, 1953, to end of preceding calendar year	2,902,138	3,091,138	3,283,638
Cumulative incentive payments on marketings to end of preceding calendar year	1,434,120	1,527,120	1,621,620
Balance of limitation available for payments in succeeding marketing years.....	1,468,018	1,564,018	1,662,018

Funds of the Corporation are used to carry on this program. For the purpose of reimbursing the Corporation, section 705 of the act appropriates each fiscal year an amount equal to amounts expended by the Corporation during the preceding year and to amounts expended in prior fiscal years not previously reimbursed, but not to exceed an amount equal to 70 percent of the gross receipts from duties collected on wool and wool manufactures during the calendar year preceding the fiscal year.

Estimated costs and appropriations to the Corporation are indicated in the following table (in thousands of dollars):

Item	1984 actual	1985 estimate	1986 estimate
Due start of year	93,575	131,959	99,065
Costs for year:			
Program	125,616	95,438	96,938
Interest	6,343	3,627	3,587
Subtotal	131,959	99,065	100,525
Total due	225,534	231,024	199,590
Appropriations to Commodity Credit Corporation for the year	93,575	131,959	99,065
Due end of year	131,959	99,065	100,525

FINANCING

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$25 billion.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938 (15 U.S.C. 713a-4).

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average

interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Commodity Credit Corporation and approved by the Secretary of Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

Contract authority.—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds which may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

Appropriations.—Under section 2 of Public Law 87-155 (15 U.S.C. 713a-11), annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for the National Wool Act (see above) and for foreign assistance programs.

Deficit.—The net realized losses of the Corporation have previously been reimbursed as follows (in thousands of dollars):

SUPPORT AND RELATED PROGRAMS	
Realized losses, 1933 to 1984, inclusive	106,943,754
Reimbursements by the Treasury:	
Reimbursements of realized losses:	
Appropriations (38 times)	97,095,134
Note cancellations (6 times)	2,697,807
Less dividends paid to Treasury (4 times) ..	—138,209
Total reimbursements for net realized losses	99,654,732
Other reimbursements:	
Appropriations (2 times)	541,916
Note cancellation (1 time)	56,239
Total other reimbursements	598,155
Total	100,252,887
Realized deficit as of September 30, 1984, support and related programs	6,690,867

SPECIAL ACTIVITIES	
Realized losses, 1948 to 1983, inclusive	38,968,210
Excess amounts appropriated to reimburse cost of special activities	538,940
Reimbursements by the Treasury:	
Appropriations (37 times)	38,805,068
Note cancellations (4 times)	536,518
Other reimbursements: Sale proceeds (5 times)	33,605

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

SUPPORT AND RELATED PROGRAMS—Continued

Total reimbursements.....	39,375,191
Realized deficit as of September 30, 1984, special activities.....	131,959

Capital and deficit, special activities.—Advances to the Corporation in excess of costs incurred, and costs incurred in excess of advances received are shown in the following table (in thousands of dollars):

	Excess of funds held by CCC			
	1983 actual	1984 actual	1985 estimate	1986 estimate
Foreign assistance programs: Public Law 480:				
Titles I and III: Sale of agricultural commodities for foreign currencies and for dollars on credit terms.....	39,217	186,613	11,613	11,613
Title II: Commodities supplied in connection with dispositions abroad.....	208,115	352,327	276,327	276,327
Total.....	247,332	538,940	287,940	287,940
Deficit requiring subsequent funds				
Deficit financed by CCC or excess funds held (—) (nonadd).....	—247,332	—538,940	—287,940	—287,940
Increase or decrease (—) in amount owed by general fund for foreign assistance programs (nonadd).....	—36,013	—291,608	251,000	.....
Other programs: National Wool Act.....	93,575	131,959	99,065	100,525
Total.....	93,575	131,959	99,065	100,525

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Support and related programs:			
Revenue.....	10,965,845	2,455,395	1,299,621
Expense.....	19,484,209	14,069,804	11,109,909
Net realized losses.....	—8,518,364	—11,614,409	—9,810,288
Increase (—) or decrease in provisions for losses (unrealized):			
On commodities for sale.....	—64,994	612,457	—1,109,656
On loans receivable.....	—1,790	—4,765	1,652
On accounts receivable.....	—14,402	—57,850	—71,760
Net loss for the year, support and related programs.....	—8,599,550	—11,064,567	—10,990,052
Special activities:			
Revenue.....	374,086	316,000	373,000
Received from appropriations: Decrease in unearned receipts.....	—291,608	251,000	.....
Earned revenue.....	82,478	567,000	373,000
Expense.....	1,591,438	2,206,065	1,780,525
Net realized loss, special activities.....	—1,508,960	—1,639,065	—1,407,525
Net loss for the year.....	—10,108,510	—12,703,632	—12,397,577

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 estimate	1986 estimate
Assets:				
Drawing account with Treasury.....	—285,084	—340,596	—340,596	—340,596

Accounts receivable: Support and related programs (net of provisions for losses).....	945,682	2,094,183	3,644,333	5,522,573
Selected assets: Support and related programs:				
Agricultural commodities for sale, net of provision for losses.....	6,215,994	3,294,748	2,798,520	3,698,383
Strategic and critical materials.....	13,000	.....	34,000	34,000
Advances to producers.....	442,538	169,950	.....	.....
Deferred and undistributed charges..	602,525	207,723	207,723	207,723
Loans receivable, guarantee claims rescheduled.....	183,061	363,711	350,460	305,758
Interest in amounts due from foreign governments and private trade entities under Public Law 480.....	9,009,193	9,483,505	10,254,266	10,910,596
Loans receivable, net of provision for losses: Commodity and storage facility loans (held by Commodity Credit Corporation).....	15,063,923	8,549,752	10,235,281	9,382,260
Export credit sales programs.....	739,661	822,719	727,744	460,431
Fixed assets net.....	.....	1,224	36,919	58,311
Total assets.....	32,930,493	24,646,919	27,948,650	30,239,439
Liabilities:				
Current liabilities:				
Support and related programs.....	14,166,430	6,880,078	5,543,593	7,746,236
Deferred interest in amounts due from foreign governments and private trade entities under Public Law 480 ..	9,009,193	9,483,505	10,254,266	10,910,596
Debt issued under borrowing authority: Borrowing from Treasury.....	21,407,418	18,608,576	25,408,702	22,500,000
Total liabilities.....	44,583,041	34,972,159	41,206,561	41,156,832
Government equity:				
Obligations other than liabilities:				
Support and related programs: Other commitments.....	137,877	3,044,695	92,766	72,242
Special activities: Letters of commitment for Public Law 480 ..	96,245	134,137	184,591	171,907
Total obligations other than liabilities.....	234,122	3,178,832	277,357	244,149
Unobligated balance.....	.....	235,000	.....	.....
Unfinanced budget authority.....	—13,296,897	—8,370,373	408,702	2,189,432
Invested capital.....	1,410,227	—5,368,699	—13,943,970	—13,350,974
Total Government equity.....	—11,652,548	—10,325,240	—13,257,911	—10,917,393

Analysis of changes in Government equity:

Support and related programs:

Interest-bearing capital (capital stock balance)

100,000 100,000 100,000

Special activities: Non-interest-bearing capital:

Start of year

247,332 538,940 287,940

Change in unearned receipts from appropriation

291,608 -251,000

End of year

538,940 287,940 287,940

Total capital, end of year

638,940 387,940 387,940

Support and related programs:

Analysis of deficit:

Deficit: Start of year

-11,906,306 -10,832,219 -13,546,786

Net loss for the year

-8,599,550 -11,064,567 -10,990,052

Appropriations (net): Reimbursement for net realized losses

9,673,636 8,350,000 13,332,030

Deficit: End of year:

Realized

-6,690,867 -9,955,276 -6,433,535

Unrealized

-4,141,353 -3,591,510 -4,771,273

Total deficit, end of year, support and related programs

-10,832,220 -13,546,786 -11,204,808

Special activities:

Analysis of deficit:

Deficit, start of year, realized

-93,575 -131,959 -99,065

Net loss for the year

-1,508,960 -1,639,065 -1,407,525

Appropriation: National Wool Act

93,575 131,959 99,065

Advances from foreign assistance programs

1,377,000 1,540,000 1,307,000

Deficit, end of year: Realized, special activities

-131,960 -99,065 -100,525

Total deficit, Commodity Credit Corporation

-10,964,180 -13,645,851 -11,305,333

Total Government equity (end of year)

-10,325,240 -13,257,911 -10,917,393

Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

Object Classification (in thousands of dollars)

Identification code	12-4336-0-3-351	1984 actual	1985 est.	1986 est.
22.0	Transportation of things	359,912	579,563	472,225
25.0	Other services	592,080	462,161	452,373
25.0	Other services (storage and handling)	676,173	869,998	845,951
	Supplies and materials: Cost of commodities sold or donated:			
26.0	Foreign assistance programs	1,209,377	1,632,000	1,347,100
26.0	Other	8,319,360	3,348,277	3,273,624
31.0	Equipment	4,696	46,700	36,100
33.0	Investments and loans	5,460,827	9,216,012	8,507,435
41.0	Grants, subsidies, and contributions	4,742,838	6,623,856	5,124,800
43.0	Interest and dividends	1,616,434	2,166,042	2,090,442
99.9	Total obligations	22,981,697	24,944,609	22,150,050

General and special funds:**[TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM]**

[For necessary expenses to carry out the Temporary Emergency Food Assistance Act of 1983, as amended, \$50,000,000: *Provided*, That, in accordance with section 202 of Public Law 98-92, the funds shall be available only if the Secretary determines the existence of excess commodities.]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3635-0-1-351	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	49,125	50,000	.....
Financing:				
25.00	Unobligated balance lapsing	875	.....	.....
40.00	Budget authority (appropriation) ..	50,000	50,000	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	49,125	50,000	.....
72.40	Obligated balance, start of year	43,103	16,924	16,734
74.40	Obligated balance, end of year	-16,924	-16,734	.....
77.00	Adjustments in expired accounts	-26,552	.....	.....
90.00	Outlays	48,752	50,190	16,734

This program, authorized by the Temporary Emergency Food Assistance Act of 1983, as amended, provides funding to States to cover storage and distribution costs of CCC emergency donated commodities. Funds provided in this appropriation are administered through the Food and Nutrition Service. No funds are requested for 1986 since the basic authorization expires in 1985.

OFFICE OF RURAL DEVELOPMENT POLICY**Federal Funds****General and special funds:****OFFICE OF RURAL DEVELOPMENT POLICY***

*See Part II for additional information.

For necessary expenses, not otherwise provided for, of the Office of Rural Development Policy in providing leadership, coordination, and related services in carrying out the rural development activities of the Department of Agriculture, as authorized by section 603 of the Rural Development Act of 1972, as amended (7 U.S.C. 2204b); section 2 of the Rural Development Policy Act of 1980 (7 U.S.C. 1921), and grants pursuant to the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926(a)(11) and 7 U.S.C. 1932(c)), [\$2,345,000] \$2,173,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 of this appropriation shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriation for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-0801-0-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations	1,912	2,363	2,173
Financing:				
25.00	Unobligated balance lapsing	105	.....	.....
39.00	Budget authority	2,017	2,363	2,173
Budget authority:				
40.00	Appropriation	2,017	2,345	2,173
44.20	Supplemental for civilian pay raise .....	.....	18	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,912	2,363	2,173

General and special funds—Continued

OFFICE OF RURAL DEVELOPMENT POLICY—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-0801-0-1-452	1984 actual	1985 est.	1986 est.
72.40	Obligated balance, start of year	580	517	432
74.40	Obligated balance, end of year	-517	-432	-391
77.00	Adjustments in expired accounts	31		
90.00	Outlays, excluding pay raise supplemental	2,006	2,431	2,213
91.20	Outlays from civilian pay raise supplemental		17	1

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	2,017	2,363	2,173
Outlays	2,006	2,448	2,214
Rescission proposal:			
Budget authority		-36	
Outlays		-36	
Total:			
Budget authority	2,017	2,327	2,173
Outlays	2,006	2,412	2,214

The Office of Rural Development Policy provides leadership and coordination to a national rural development effort. The work will include: identification and analysis of Federal and State developmental programs available to rural areas; joint actions with Federal and State policy officials to make these programs more complementary to each other and with private sector initiatives; and preparation of analyses and recommendations for resolution of program inconsistencies; rural development representation and coordination; conducting research on rural development issues; and, disseminating information about rural development to citizens, agencies, and groups who are interested in and responsible for the development of rural America. The office will work as a catalyst to obtain public and private interest group involvement in providing technical assistance to State and local organizations.

Object Classification (in thousands of dollars)

Identification code	12-0801-0-1-452	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	953	1,018	942
11.3	Other than full-time permanent	36	37	37
11.5	Other personnel compensation	32	34	33
11.9	Total personnel compensation	1,021	1,089	1,012
12.1	Personnel benefits: Civilian	107	119	107
13.0	Benefits for former personnel	1	1	
21.0	Travel and transportation of persons	46	64	64
22.0	Transportation of things	2	2	2
23.2	Communications, utilities, and other rent	60	110	110
24.0	Printing and reproduction	27	38	38
25.0	Other services	609	900	800
26.0	Supplies and materials	23	30	30
31.0	Equipment	16	10	10
99.9	Total obligations	1,912	2,363	2,173

Personnel Summary

Total number of full-time permanent positions	23	29	29
Total compensable workyears: Full-time equivalent employment	31	35	32

RURAL ELECTRIFICATION ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES*

*See Part II for additional information.

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), and for which commitments were made prior to fiscal year 1985, including not to exceed \$7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000, \$103,000 for employment under 5 U.S.C. 3109, \$30,340,000, \$28,392,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3100-0-1-271	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Administration of rural electrification program	14,823	16,252	15,048
00.02	Administration of rural telephone and CATV programs	13,147	14,412	13,344
00.91	Total direct program	27,969	30,664	28,392
01.01	Reimbursable program	200	231	256
10.00	Total obligations	28,169	30,895	28,648
Financing:				
11.00	Offsetting collections from: Federal funds	-200	-231	-256
25.00	Unobligated balance lapsing	1,936		
39.00	Budget authority	29,905	30,664	28,392
Budget authority:				
40.00	Appropriation	29,905	30,340	28,392
44.20	Supplemental for civilian pay raises		324	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	27,969	30,664	28,392
72.40	Obligated balance, start of year	2,250	2,036	1,713
74.40	Obligated balance, end of year	-2,036	-1,713	-1,716
77.00	Adjustments in expired accounts	-366		
90.00	Outlays, excluding pay raise supplemental	27,817	30,682	28,370
91.20	Outlays from civilian pay raise supplemental		305	19

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	29,905	30,664	28,392
Outlays	27,817	30,987	28,389
Rescission proposal:			
Budget authority		-288	
Outlays		-264	-24
Total:			
Budget authority	29,905	30,376	28,392
Outlays	27,817	30,723	28,365

The Rural Electrification Administration, under authority of the Rural Electrification Act of 1936, as amended, makes subsidized direct loans and guarantees

loans made by other qualified lenders to rural electric and telephone systems for electric and telephone service in rural areas.

In order to protect the Government's loan security on over \$57 billion of loans and guarantees made to borrowers, to assure that construction and operation projects conform to approved standards, REA furnishes business management and technical assistance on a regular basis to its borrowers. This objective is carried out through regulations, personal visits to the borrowers, and by training. REA has personnel in the Washington office and a field staff who have expertise in the electric or telephone industry and who are available to assist borrowers in specialized areas.

Since current and projected demand for new REA loans has declined, staff resources necessary to carry out these programs are being reduced.

Object Classification (in thousands of dollars)

Identification code	12-3100-0-1-271	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	20,650	22,017	20,075
11.3	Other than full-time permanent	71	90	70
11.5	Other personnel compensation	108	201	200
11.9	Total personnel compensation	20,829	22,308	20,345
12.1	Personnel benefits: Civilian	2,688	2,905	2,630
13.0	Benefits for former personnel	5	5	5
21.0	Travel and transportation of persons	1,740	2,119	2,027
22.0	Transportation of things	58	62	57
23.2	Communications, utilities, and other rent	787	940	896
24.0	Printing and reproduction	285	413	327
25.0	Other services	1,060	1,435	1,586
26.0	Supplies and materials	225	264	265
31.0	Equipment	270	213	254
43.0	Interest and dividends	1		
44.0	Refunds	20		
99.0	Subtotal, direct obligations	27,969	30,664	28,392
99.0	Reimbursable obligations	200	231	256
99.9	Total obligations	28,169	30,895	28,648

Personnel Summary

Total number of full-time permanent positions	667	664	664
Total compensable workyears: Full-time equivalent employment	626	— 630	600

[REIMBURSEMENT TO THE RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND]*

*See Part II for additional information.

[For an additional amount to reimburse the rural electrification and telephone revolving fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), \$215,964,000.]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3101-0-1-271	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations	197,862	215,964	

Financing:				
40.00	Budget authority (appropriation)	197,862	215,964	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	197,862	215,964	
90.00	Outlays	197,862	215,964	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority:	197,862	215,964	
Outlays	197,862	215,964	
Rescission proposal:			
Budget authority		— 215,964	
Outlays		— 215,964	
Total:			
Budget authority	197,862		
Outlays	197,862		

This appropriation reimburses the rural electrification and telephone revolving fund for interest subsidies and losses which, by law, are not incurred by the revolving fund. In last year's budget, this appropriation was included in the off-budget revolving fund, even though the Rural Electrification Act of 1936, as amended, specifies that only loans and advances of the revolving fund be excluded from the budget totals of the U.S. Government. This account has been established to reflect the correct budget treatment for the appropriation.

This fund has not incurred a loss since its inception in 1973, because it is exempted by the Act from paying \$307 million in annual interest costs to the Treasury on advances totaling \$7.9 billion. Rural electric and telephone direct loans have actually cost the Federal Government over \$1.5 billion in interest subsidies and losses since 1973. However, these costs have been sustained by the Treasury, not by the revolving fund. Therefore, no appropriation is requested for 1986, and a rescission is proposed for 1985.

PURCHASE OF RURAL TELEPHONE BANK CAPITAL STOCK*

*See Part II for additional information.

[For the purchase of Class A stock of the Rural Telephone Bank, \$30,000,000, to remain available until expended (7 U.S.C. 901-950(b)).]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3102-0-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 33)	30,000	30,000	
Financing:				
40.00	Budget authority (appropriation)	30,000	30,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	30,000	30,000	
90.00	Outlays	30,000	30,000	

General and special funds—Continued

PURCHASE OF RURAL TELEPHONE BANK CAPITAL STOCK—Continued

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1984 actual	1985 estimate	1986 estimate
Budget authority	30,000	30,000	.....
Outlays	30,000	30,000	.....
Rescission proposal:			
Budget authority		—30,000	.....
Outlays		—30,000	.....
Total:			
Budget authority	30,000	.....	.....
Outlays	30,000	.....	.....

The Rural Electrification Act of 1936, as amended, authorizes appropriations for the purchase of Class A stock in the Rural Telephone Bank by the U.S. Government. In previous budgets, such appropriations were included in the Bank's off-budget account, even though the Act specifies that only loans and advances of the Bank be excluded from the budget totals of the U.S. Government. This account has been established to reflect the correct budget treatment for the appropriation.

No appropriation is requested for 1986, because the Federal Government has already provided \$420 million in low-cost capital to the Bank—\$110 million over the amount called for in the original statute establishing the Bank. Avoiding further appropriations through 1991 when the current authorization expires would save the Treasury about \$30 million in interest over the next five years and about \$250 million in interest for the life of these capital loans. The Bank can instead borrow from private credit markets or from the Treasury at a rate of interest equivalent to Treasury's cost of borrowing. By contrast, this appropriation would provide capital to the Bank with a 2 percent rate of return, the difference between 2 percent and Treasury's rates being borne by the U.S. taxpayer. A rescission of this \$30 million appropriation is proposed for 1985.

Public enterprise funds:

RURAL COMMUNICATION DEVELOPMENT FUND

To reimburse the Rural Communication Development Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in making Community Antenna Television loans and loan guarantees under sections 306 and 310B of the Consolidated Farm and Rural Development Act, as amended, [[\$41,000] \$1,203,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing Schedule (in thousands of dollars)

Identification Code	12-4142-0-3-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations: Interest on borrowings (object class 43.0)	2,038	2,862	3,493
Financing:				
14.00	Offsetting collections from: Non-Federal sources	—844	—1,258	—1,659
17.00	Recovery of prior year obligations	—1,260	.....	.....
25.00	Unobligated balance lapsing	1,260	.....	.....

39.00	Budget authority	1,194	1,604	1,834
Budget authority:				
Current:				
40.00	Appropriation	375	841	1,203
Permanent:				
67.10	Authority to borrow (7 U.S.C. 1929a(d)) (indefinite)	819	763	631
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,194	1,604	1,834
Obligated balance, start of year:				
72.47	Authority to borrow	14,190	9,117	591
72.98	Fund balance	16	73	73
Obligated balance, end of year:				
74.47	Authority to borrow	—9,117	—591	—591
74.98	Fund balance	—73	—73	—73
78.00	Adjustments in unexpired accounts	—1,260	.....	.....
90.00	Outlays	4,950	10,130	1,834

Status of Direct Loans (in thousands of dollars)

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	13,029	16,909	25,230
1231	New loans: Disbursements for direct loans	3,889	8,526	.....
1251	Recoveries: Repayments and prepayments	—9	—205	—407
1290	Outstanding, end of year	16,909	25,230	24,823

Status of Guaranteed Loans (in thousands of dollars)

Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	2,776	3,768	10,438
2231	Loans guaranteed: New loans guaranteed	1,006	6,700	6,699
2250	Repayments and prepayments	—14	—30	—87
2290	Outstanding, end of year	3,768	10,438	17,050

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year	3,768	10,438	17,050
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The Rural Development Insurance Fund was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419) approved August 30, 1972, to make community facility and business and industrial loans and guaranteed loans to both profit and nonprofit organizations.

The Rural Communication Development Fund, an account under the Rural Development Insurance Fund authorities, was established pursuant to Secretary's Memorandum No. 1988 approved May 22, 1979. This memorandum transferred certain financing authorities under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from the Farmers Home Administration to the Rural Electrification Administration for the purpose of financing and administering community antenna television services or facilities in rural areas. Funding is required for losses from operation of the program.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Revenue	835	1,053	1,252
Expense	—2,038	—2,862	—3,493
Net loss for the year	—1,203	—1,809	—2,241

Financial Condition (in thousands of dollars)

Assets:			
Fund balance.....	73	73	73
Loans receivable (net).....	420	527	626
Accounts receivable (net).....	16,909	25,230	24,823
Total assets.....	17,402	25,830	25,522
Liabilities:			
Debt issued under borrowing authority:			
Borrowings from Treasury.....	1,085	1,191	1,290
Accounts payable (net).....	18,361	27,650	28,281
Total liabilities.....	19,446	28,841	29,571
Government equity: Undelivered orders.....	8,526		
Unfinanced budget authority:			
Borrowing authority.....	-9,117	-591	-591
Invested capital.....	-1,452	-2,420	-3,458
Total Government equity.....	-2,043	-3,011	-4,049
Analysis of changes in Government equity:			
Retained income or loss (-):			
Opening balance.....	-1,215	-2,043	-3,011
Transactions: Net operating loss.....	-1,203	-1,809	-2,241
Appropriation to meet deficit.....	375	841	1,203
Closing balance.....	-2,043	-3,011	-4,049
Total Government equity (end of year).....	-2,043	-3,011	-4,049

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN
AUTHORIZATIONS

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-4230-2-3-271	1984 actual	1985 est.	1986 est.
Program by activities:				
Operating expenses:				
00.01 Interest expense on certificates of beneficial ownership.....				-883
00.02 Interest on interim borrowings.....				
10.00 Total obligations (object class 43.0).....				-883
Financing:				
Offsetting collections from:				
14.00 Non-Federal sources.....				-7,287
15.00 Off-budget Federal entities.....				7,287
32.47 Balance of authority to borrow withdrawn.....				883
39.00 Budget authority				
Relation of obligations to outlays:				
71.00 Obligations incurred, net.....				-883
74.47 Obligated balance, end of year: Authority to borrow.....				883
90.00 Outlays.....				

Status of Direct Loans (in thousands of dollars)

Identification code	12-4230-2-3-271	1984 actual	1985 est.	1986 est.
Cumulative balance of direct loans outstanding:				
1210 Outstanding, start of year.....				
1253 Recoveries: Loan sales to the FFB.....				7,287
1290 Outstanding, end of year.....				7,287
Addendum: Federal Financing Bank transactions:				
Direct loans made by this account and sold with a guarantee to the FFB:				
1310 Outstanding, start of year.....				

1330	Direct loans sold to the FFB.....			-7,287
1390	Outstanding, end of year.....			-7,287

Status of Guaranteed Loans (in thousands of dollars)

Identification code	12-4230-2-3-271	1984 actual	1985 est.	1986 est.
Position with respect to limitation on commitments:				
2112 Limitation on commitments: Loans by the FFB.....				
2132 Commitments exempt from limitation: Loans by the FFB.....				-7,287
2153 New commitments, gross: Loans sold to the FFB.....				-7,287
Cumulative balance of guaranteed loans outstanding:				
2210 Outstanding, start of year.....				
2232 Loans guaranteed: Guarantees of direct loans sold.....				-7,287
2290 Outstanding, end of year.....				-7,287
MEMORANDUM				
2299 U.S. contingent liability for guaranteed loans outstanding, end of year.....				-7,287

These schedules reflect proposed legislation to reduce the subsidy on REA direct loans by increasing the interest rate to the cost of Treasury borrowing plus one and one-eighth percent from the current rate of 5 percent.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN
AUTHORIZATIONS

(Off-budget under current law; proposed to be included on-budget.)
To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), as follows:

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: rural electrification loans, not [less than \$850,000,000 nor more than \$1,100,000,000] more than \$500,000,000; and rural telephone loans, not [less than \$250,000,000 nor more than \$325,000,000] more than \$75,000,000; to remain available until expended: *Provided*, That loans made pursuant to section 306 of that Act are in addition to these amounts but during [1985] 1986 total commitments to guarantee loans pursuant to section 306 shall be not [less than \$1,325,000,000 nor more than \$2,345,000,000] more than \$300,000,000 of contingent liability for total electric loan principal: *Provided further*, That as a condition of approval of insured electric loans during fiscal year 1985, borrowers shall obtain concurrent supplemental financing in accordance with the applicable criteria and ratios in effect as of July 15, 1982].

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985).

Program and Financing (in thousands of dollars)

Identification code	12-4230-8-3-271	1984 actual	1985 est.	1986 est.
Program by activities:				
Operating expenses:				
00.01 Interest expense on certificates of beneficial ownership.....	271,359	276,014	307,674	
00.02 Interest on interim borrowings.....	269			
00.91 Total operating expenses.....	271,628	276,014	307,674	
Capital investment loans:				
01.01 Rural electrification.....	850,000	850,000	500,000	
01.02 Rural telephone.....	228,559	271,706	75,000	
01.91 Total capital investment.....	1,078,559	1,121,706	575,000	

Public enterprise funds—Continued

RURAL COMMUNICATION DEVELOPMENT FUND—Continued

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN
AUTHORIZATIONS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-4230-8-3-271	1984 actual	1985 est.	1986 est.
10.00	Total obligations ¹	1,350,187	1,397,720	882,674
Financing:				
Offsetting collections from:				
11.00	Federal sources	—197,862	—215,964	.....
14.00	Non-Federal sources	—780,649	—813,044	—847,316
15.00	Off-budget Federal entities	—69,200	—447,006	—260,358
17.00	Recovery of prior year obligations ..	—15,445	.....	.....
21.47	Unobligated balance available, start of year: authority to borrow	—265	—21,706	.....
24.47	Unobligated balance available, end of year: authority to borrow	21,706	.....	.....
25.00	Unobligated balance lapsing	15,445	.....	.....
32.47	Balance of authority to borrow withdrawn .....	.....	100,000	225,000
39.00	Budget authority	323,917	.....	.....
Budget authority:				
Current:				
40.00	Appropriation .....	.....	.....	.....
Permanent:				
67.10	Authority to borrow (permanent, indefinite) (7 U.S.C. 934)	323,917	.....	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	302,476	—78,294	—225,000
Obligated balance, start of year:				
72.47	Authority to borrow	2,180,930	2,467,961	2,392,353
72.98	Fund balance	2,059	2,786	100
Obligated balance, end of year:				
74.47	Authority to borrow	—2,467,961	—2,392,353	—2,167,353
74.98	Fund balance	—2,786	—100	—100
78.00	Adjustments in unexpired accounts ..	—15,445	.....	.....
90.00	Outlays	—728	.....	.....

¹ Excludes interest received by REA as trustee for holders of certificates of beneficial ownership in the following amounts: 1984, \$123,936 thousand; 1985, \$138,286 thousand, and 1986, \$149,674 thousand.

Status of Direct Loans (in thousands of dollars)

Identification code	12-4230-8-3-271	1984 actual	1985 est.	1986 est.
Position with respect to limitation on obligations:				
1110	Limitation on obligations ¹	1,425,265	1,446,706	575,000
1151	Obligations incurred, gross: Direct loans to the public	1,078,559	1,121,706	575,000
1190	Unused balance of limitation, expiring ²	346,706	325,000	.....
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	9,877,797	10,163,119	10,476,913
1231	New loans: Disbursements for direct loans	780,036	1,200,000	800,000
Recoveries:				
1251	Repayments and prepayments ..	—425,514	—439,200	—448,600
1253	Loan sales to the FFB	—69,200	—447,006	—260,358
1290	Outstanding, end of year	10,163,119	10,476,913	10,567,955

Addendum: Federal Financing Bank transactions:

Direct loans made by this account and sold with a guarantee to the FFB:

1310	Outstanding, start of year	3,467,507	3,536,707	3,983,713
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1330	Direct loans sold to the FFB	69,200	447,006	260,358
1390	Outstanding, end of year	3,536,707	3,983,713	4,244,071
Direct loans made by the FFB and guaranteed by this account:				
1410	Outstanding, start of year	18,938,905	20,587,094	23,272,094
1430	New loan disbursements	2,395,039	2,885,000	2,432,000
1450	Repayments	—746,850	—200,000	—210,000
1490	Outstanding, end of year	20,587,094	23,272,094	25,494,094

¹ Fiscal year 1984 includes a \$265 thousand carryover from 1983; fiscal year 1985 includes a \$21,706 thousand carryover from 1984.

² Excludes \$21,706 thousand carried forward to 1985.

Status of Guaranteed Loans (in thousands of dollars)

Identification code	12-4230-8-3-271	1984 actual	1985 est.	1986 est.
Position with respect to limitation on commitments:				
2112	Limitation on commitments: Loans by the FFB	4,145,000	2,345,000	300,000
2132	Commitments exempt from limitation: Loans by the FFB	69,200	447,006	260,358
New commitments, gross:				
2152	Loans by the FFB	1,002,304	1,325,000	300,000
2153	Loans sold to the FFB ¹	69,200	447,006	260,358
2190	Unused balance of limitation, expiring	3,142,696	1,020,000	.....

Cumulative balance of guaranteed

loans outstanding:				
2210	Outstanding, start of year	23,267,996	25,033,373	28,155,379
Loans guaranteed:				
2231	New loans guaranteed	2,443,039	2,895,000	2,500,000
2232	Guarantees of direct loans sold ..	69,200	447,006	260,358
2250	Repayments and prepayments	—746,862	—220,000	—240,000
2290	Outstanding, end of year	25,033,373	28,155,379	30,675,737

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year	25,033,373	28,155,379	30,675,737
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¹ Sales of certificates of beneficial ownership (CBO's) are reflected as reductions of loans outstanding and corresponding increases in guaranteed loans. This treatment results from the provisions of 7 U.S.C. 1932(d) (6). These transactions are not reflected in the direct or guaranteed loan limitation levels.

The Rural Electrification Administration conducts two loan programs: (1) The rural electrification program and (2) the rural telephone program.

Direct electric and telephone loans from the Rural Electrification and Telephone Revolving Fund (RETRF) bear interest at a 5 percent rate. Some loans may be made at a lesser rate. RETRF loans must be repaid within a period not to exceed 35 years. REA also guarantees loans made directly by the Government through the Federal Financing Bank (FFB) or by other qualified lenders at rates agreed upon by the lender and the borrower.

Loans from the RETRF are financed from available receipts or, when necessary, by interim Treasury borrowings. Loans made from the RETRF are held in a pool as security for certificates of beneficial ownership (CBO's) which are sold to investors.

Rural electrification.—This loan program is financed through REA direct and guaranteed loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems. Electric demand growth as well as demand for REA direct and guaranteed loans have dropped sharply over the past several years. The reduction in the 1986 loan level from

1985 reflects an expected continuation of decline in loan demand.

STATUS OF THE ELECTRIFICATION PROGRAM—ELECTRIFICATION LOAN LEVELS

[In thousands of dollars]			
Loan level:	1984 actual	1985 estimate	1986 estimate
Direct loans.....	850,000	850,000	500,000
REA loan guarantee commitments.....	897,205	1,200,000	300,000
Subtotal, direct loans and loan guarantee commitments.....	1,747,205	2,050,000	800,000
Non-REA without guarantee commitments.....	656,513	400,000	600,000
Total, electrification program.....	2,403,718	2,450,000	1,400,000

PROGRAM STATISTICS

[Dollars in thousands]			
	1984 actual	1985 estimate	1986 estimate
Cumulative net loans.....	\$18,052,908	\$18,902,908	\$19,402,908
Cumulative funds advanced.....	\$16,298,907	\$17,298,907	\$17,898,907
Unadvanced funds, end of year.....	\$1,754,001	\$1,604,001	\$1,504,001
Cumulative principal repaid.....	\$5,376,826	\$5,712,375	\$6,055,105
Cumulative interest paid ¹	\$4,240,412	\$4,659,846	\$5,108,977
Cumulative loan guarantee commitments.....	\$33,645,165	\$34,845,165	\$35,145,165
Cumulative consumers served—calendar year (thousands—estimated) ²	10,555	10,855	11,105
Cumulative miles energized—calendar year (thousands—estimated) ²	2,057	2,087	2,112
Number of borrowers.....	993	992	992

¹ Includes interest received by REA as trustee for holders of certificates of beneficial ownership.

² Data represents accomplishments from all sources of funds.

Rural telephone.—This loan program is financed through REA direct and guaranteed loans for the construction, expansion, acquisition, and operation of telephone lines and facilities or systems.

STATUS OF THE TELEPHONE PROGRAM—TELEPHONE LOAN LEVELS

[In thousands of dollars]			
Loan level:	1984 actual	1985 estimate	1986 estimate
Direct loans.....	228,559	271,706	75,000
REA loan guarantee commitments.....	105,099	125,000	.....
Subtotal, direct loans and loan guarantee commitments.....	333,658	396,706	75,000
RTB loans (account follows).....	143,028	185,000	185,000
Total, telephone program.....	476,686	581,706	260,000

PROGRAM STATISTICS

[Dollars in thousands]			
	1984 actual	1985 estimate	1986 estimate
Cumulative net loans.....	\$4,738,328	\$5,010,034	\$5,085,034
Cumulative funds advanced.....	\$3,963,361	\$4,163,361	\$4,363,361
Unadvanced funds, end of period.....	\$774,967	\$846,673	\$721,673
Cumulative principal repaid.....	\$1,097,815	\$1,201,466	\$1,307,337
Cumulative interest paid ¹	\$892,200	\$984,626	\$1,083,885
Cumulative loan guarantee commitments.....	\$740,438	\$865,438	\$865,438
Cumulative route miles of line constructed or improved—(thousands—estimated) ²	871	891	911
Cumulative dial subscribers, new and improved service—calendar year (thousands—estimated) ²	4,986	5,186	5,386
Number of borrowers.....	1,004	1,008	1,010

¹ Includes interest received by REA as trustee for holders of certificates of beneficial ownership.

² Data represents accomplishments from borrowers financed 20% or more by REA, RTB, and guaranteed loans.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Interest earned on loans to borrowers ¹	355,135	373,844	398,716
Expense ²	—580,530	—583,178	—614,838
Net operating income.....	—225,395	—209,334	—216,122

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Fund balance with Treasury.....	2,059	2,786	100	100
Accounts receivable (net).....	63,119	58,220	60,906	60,906
Loans receivable (net).....	9,847,657	10,131,241	10,745,035	10,736,077
Other assets (net).....	360,000	390,000	420,000	420,000
Total assets.....	10,272,835	10,582,248	11,226,041	11,217,083
Liabilities:				
Selected liabilities:				
Accounts payable to the public.....	219	1	.....	.....
Long-term notes payable to Treasury.....	7,864,742	7,864,742	7,864,742	7,864,742
Total liabilities.....	7,864,961	7,864,743	7,864,742	7,864,742
Government equity:				
Selected equities:				
Unexpended budget authority: Undelivered orders (unadvanced loans).....	2,245,889	2,528,966	2,750,672	2,425,672
Unfinanced budget authority: Financing authority.....	—2,180,930	—2,467,960	—2,389,706	—2,164,706
Invested capital.....	2,342,915	2,656,499	3,000,333	3,091,375
Total Government equity.....	2,407,874	2,717,505	3,361,299	3,352,341

Analysis of changes in Government equity:

Paid-in capital:				
Opening balance.....	2,038,436	2,573,462	3,126,590	
Transactions:				
Appropriation to RETRF for interest subsidies and losses.....	197,862	215,964	.....	.....
Rural Telephone Bank Class A stock.....	30,000	30,000	.....	.....
Treasury contribution: costs paid without reimbursement.....	307,164	307,164	307,164	
Closing balance.....	2,573,462	3,126,590	3,433,754	
Retained income:				
Opening balance.....	369,438	144,043	—65,291	
Transactions: Net income.....	—225,395	—209,334	—216,122	
Closing balance.....	144,043	—65,291	—281,413	
Total Government equity (end of year).....	2,717,505	3,061,299	3,152,341	

Object Classification (in thousands of dollars)

Identification code	12-4230-8-3-271	1984 actual	1985 est.	1986 est.
33.0	Investments and loans.....	1,078,559	1,121,706	575,000
43.0	Interest and dividends.....	271,628	276,014	307,674
99.9	Total obligations.....	1,350,187	1,397,720	882,674

RURAL TELEPHONE BANK

(Off-budget under current law; proposed to be on-budget.)

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations

Public enterprise funds—Continued

RURAL TELEPHONE BANK—Continued

as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During [1985] 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans shall be not [less] more than \$185,000,000 [nor more than \$220,000,000].

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-4231-8-3-452	1984 actual	1985 est.	1986 est.
Program by activities:				
Operating expenses:				
00.01	Administrative expenses.....	77	150	150
00.02	Interest expense.....	73,444	80,374	85,126
00.03	Dividends.....	113	138	138
00.91	Total operating expenses.....	73,634	80,662	85,414
01.01	Capital investment loans.....	143,028	185,000	185,000
10.00	Total obligations.....	216,662	265,662	270,414
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-30,262	-30,070	-65
14.00	Non-Federal sources.....	-118,792	-130,359	-137,401
17.00	Recovery of prior years obligations.....	-10,512		
25.00	Unobligated balance lapsing.....	10,512		
27.00	Capital transfer to general fund.....	7,441	8,400	8,400
39.00	Budget authority.....	75,048	113,633	141,348
Budget authority:				
Permanent:				
67.10	Authority to borrow (permanent, indefinite) (7 U.S.C. 901-950(b))....	75,048	113,633	141,348
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	67,607	105,233	132,948
Obligated balance, start of year:				
72.47	Authority to borrow.....	547,386	581,127	616,379
72.98	Fund balance.....	8,982	17,018	16,767
Obligated balance, end of year:				
74.47	Authority to borrow.....	-581,127	-616,379	-651,379
74.98	Fund balance.....	-17,018	-16,767	-16,767
78.00	Adjustments in unexpired accounts.....	-10,512		
90.00	Outlays.....	15,319	70,232	97,948

Status of Direct Loans (in thousands of dollars)

Position with respect to limitation on obligations:				
1110	Limitation on obligations.....	220,000	220,000	185,000
1151	Obligations incurred, gross: Direct loans to the public.....	143,028	185,000	185,000
1190	Unused balance of limitation, expiring.....	76,972	35,000	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	1,253,892	1,327,431	1,461,346
1231	New loans: Disbursements for direct loans..	90,451	150,000	150,000
1251	Recoveries: Repayments and prepayments...	-16,912	-16,085	-17,480
1290	Outstanding, end of year.....	1,327,431	1,461,346	1,593,866

The Rural Telephone Bank (RTB) provides a supplemental source of financing for the REA telephone loan program. The bank charges an interest rate based on the average cost of money to the bank, but not less than 5 percent per annum. The weighted average inter-

est rate on cumulative loans through September 30, 1984, was 9.60 percent. During the first quarter of 1985, loans were made at 9.50 percent interest.

Equity capital of the bank consists of class A stock purchased by the United States, classes B and C stock purchased by bank borrowers, organizations eligible to become borrowers and organizations controlled by borrowers, and retained earnings. The maximum borrowing authority of the bank by law is limited to 20 times its paid-in capital and retained earnings. Total available borrowing authority of the bank for 1985 is estimated at \$11.4 billion. For 1986, it is estimated at \$11.8 billion.

Administrative support for the general operations of the bank are provided on a part-time basis by REA employees and the Office of the General Counsel, without cost to the bank, as provided for in the enabling legislation. Certain administrative expenses, such as expenses of the elected members of the Board of Directors, postage fees and the audit by the General Accounting Office, must be borne by the bank.

Bank loans totaled \$143 million in 1984. After almost 13 years in operation, loans to 527 borrowers have been approved, totaling over \$1.993 billion. Telephone bank loans are estimated at \$185 million for 1985 and \$185 million for 1986.

BUDGET AUTHORITY, OBLIGATIONS, AND BALANCES

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Budget authority:			
Borrowing authority (program and financing schedule).....	75,048	113,633	141,348
New budget authority.....	75,048	113,633	141,348
Other funds available.....	149,054	160,429	137,466
Less return on class A stock.....	-7,441	-8,400	-8,400
Total budgetary resources.....	216,661	265,662	270,414
Obligations:			
Loans approved.....	143,028	185,000	185,000
Expenses and C stock dividends.....	73,634	80,662	85,414
Total.....	216,662	265,662	270,414

BORROWING AUTHORITY

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Available start of year.....	9,332,351	10,278,917	11,225,444
Increase ¹	1,011,100	1,090,160	507,360
Encumbered.....	-75,048	-143,633	-141,348
Recovery of prior obligations.....	10,514		
Available end of year.....	10,278,917	11,225,444	11,591,456

¹ Computed in accordance with sec. 407 of the Rural Electrification Act of 1936 as amended.

A stock.....	30,000	30,000	
B stock.....	14,046	18,128	19,245
C stock.....	110		
Retained earnings.....	6,399	6,380	6,123
Total.....	50,555	54,508	25,368
Statutory borrowing authority rate.....	× 20	× 20	× 20
Maximum borrowing authority during year.....	1,011,100	1,090,160	507,360

Note.—Totals may not add due to rounding.

PROGRAM STATISTICS

(Dollars in thousands)

	1984 actual	1985 estimate	1986 estimate
Cumulative net loans.....	1,993,109	2,178,109	2,363,109
Cumulative loan funds, advanced.....	1,403,511	1,553,511	1,703,511
Unadvanced loan funds, end of year.....	589,598	624,598	659,598
Cumulative principal repaid.....	76,079	92,164	109,644

Cumulative interest paid	540,291	647,065	759,482
Number of borrowers	547	570	595

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Interest earned on loans to borrowers	96,617	106,774	112,421
Expenses	—74,038	—81,268	—86,080
Net operating income	22,579	25,506	26,341
Nonoperating income:			
Interest earned on U.S. securities (net of discount less premium amortization)	178	70	65
Net income for the year	22,757	25,576	26,406

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Fund balance with Treasury	6,040	15,835	15,834	15,834
U.S. securities	2,942	1,183	933	933
Accounts receivable (net)	8,967	10,097	10,687	11,252
Loans receivable (net)	1,250,507	1,323,529	1,456,699	1,588,415
Other assets (net)	1			
Total assets	1,268,457	1,350,644	1,484,153	1,616,434
Liabilities:				
Selected liabilities:				
Accounts payable and other accrued liabilities	17,809	18,644	19,235	19,800
Debt issued under borrowing authority: Borrowing from Treasury	720,629	751,424	829,807	936,155
Total liabilities	738,438	770,068	849,042	955,955
Fund equity:				
Government equity:				
Selected equities:				
Undelivered orders: Undisbursed loans	547,533	589,598	624,598	659,598
Unfinanced budget authority: Undrawn authority to borrow	—547,386	—581,127	—616,379	—651,379
Invested capital	359,853	381,529	411,781	411,781
Total Government equity	360,000	390,000	420,000	420,000
Private equity:				
Class B stock	106,783	120,829	138,975	158,202
Class C stock	1,620	1,730	1,730	1,730
Retained earnings	61,616	68,015	74,424	80,547
Total private equity	170,019	190,574	215,129	240,479
Total equity	530,019	580,574	635,129	660,479

Analysis of changes in equity:

Privately owned equity:			
Paid-in capital: Opening balance	108,403	122,559	140,687
Transactions:			
Patronage refund—class B stock	8,805	10,628	11,745
Stock sold:			
Class B	5,241	7,500	7,500
Class C	110		
Closing balance	122,559	140,687	159,932
Retained income: Opening balance	61,616	68,014	74,424
Transactions:			
Balances of current operating and nonoperating income transferred from Government equity	15,316	17,176	18,006
Patronage refund—class B stock	—8,805	—10,628	—11,745
Dividend paid—class C stock	—113	—138	—138

Closing balance	68,014	74,424	80,547
Total privately owned equity	190,573	215,111	240,479
Government equity:			
Paid-in capital: Opening balance	360,000	390,000	420,000
Transactions: Appropriations	30,000	30,000	
Closing balance	390,000	420,000	420,000
Transactions:			
Transfer to miscellaneous receipts in Treasury for return on class A stock	—7,441	—8,400	—8,400
Operating income	22,579	25,506	26,341
Nonoperating income	178	70	65
Current income in excess of return on class A stock transferred to private equity	—15,316	—17,176	—18,006
Closing balance			
Total Government equity (end of year)	390,000	420,000	420,000

Object Classification (in thousands of dollars)

Identification code	12-4231-8-3-452	1984 actual	1985 est.	1986 est.
11.8	Personnel compensation: Special personal services payments	13	22	22
21.0	Travel and transportation of persons	31	35	35
23.2	Communications, utilities, and other rent	2	4	4
24.0	Printing and reproduction	1	4	4
25.0	Other services	30	85	85
26.0	Supplies and materials			
33.0	Investments and loans	143,028	185,000	185,000
43.0	Interest and dividends	73,557	80,512	85,264
99.9	Total obligations	216,662	265,662	270,414

FARMERS HOME ADMINISTRATION

Federal Funds

General and special funds:

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to [sections] section 306(a)(2) [and 306(a)(6)] of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), [“\$115,000,000”] \$25,000,000, to remain available until expended, pursuant to section 306(d) of the above Act.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2066-0-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	103,742	117,435	25,000
Financing:				
17.00	Recovery of prior year obligations	—12,435		
21.40	Unobligated balance available, start of year	—3,742	—2,435	
24.40	Unobligated balance available, end of year	2,435		
40.00	Budget authority (appropriation) ..	90,000	115,000	25,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	103,742	117,435	25,000
72.40	Obligated balance, start of year	581,910	538,322	471,988
74.40	Obligated balance, end of year	—538,322	—471,988	—326,098
77.00	Adjustments in expired accounts	—12		
78.00	Adjustments in unexpired accounts	—12,435		
90.00	Outlays	134,883	183,769	170,890

General and special funds—Continued

RURAL WATER AND WASTE DISPOSAL GRANTS—Continued

Rural water and waste disposal grant program.—This grant program is authorized by subtitle A of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, public and quasi-public agencies, and certain Indian tribes to finance storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project.

The major objectives of the rural water and waste disposal grant programs are: (1) to provide assistance to attain basic human amenities, (2) to alleviate health hazards, (3) to promote stability of rural areas by meeting the need for new and improved rural water and waste disposal systems, and (4) to meet national safe drinking water and clean water standards. In fiscal year 1986, funds will be limited to very low income communities experiencing exceptional health and safety problems. In subsequent years, communities will compete for funds for these purposes under programs provided through the Department of Housing and Urban Development's community development block grant program.

GRANT OBLIGATIONS

	1984 actual	1985 estimate	1986 estimate
Number of grants	276	301	106
Amount of grants (in thousands)	\$103,742	\$117,435	\$25,000

SALARIES AND EXPENSES*

(INCLUDING TRANSFERS OF FUNDS)

*See Part II for additional information.

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490h); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444), for administering the loan program authorized by title III A of the Economic Opportunity Act of 1964 (Public Law 88-452 approved August 20, 1964), as amended, and such other programs for which Farmers Home Administration has the responsibility for administering, [\$327,251,000] \$227,940,000, together with not more than \$3,000,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farm and Rural Development Act, as amended, and section 517(i) of the Housing Act of 1949, as amended, or in connection with charges made on borrowers under section 502(a) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed \$1,000,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary [field] employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), to meet unusual or heavy workload increases: *Provided further*, That not to exceed \$500,000 of this appropriation may be used for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed \$1,600,000 of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That, in addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and

may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided further*, That if the security instrument securing such loan is foreclosed, such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law].

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2001-0-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program: Administration of grant, and direct and insured loan and loan guarantee programs	329,502	339,297	231,940
01.01	Reimbursable program	621	635	635
10.00	Total obligations	330,123	339,932	232,575
Financing:				
11.00	Offsetting collections from: Federal funds	—1,621	—4,635	—4,635
25.00	Unobligated balance lapsing	1,901		
39.00	Budget authority	330,403	335,297	227,940
Budget authority:				
40.00	Appropriation	330,403	327,251	227,940
44.10	Supplemental for wage-board pay raises		11	
44.20	Supplemental for civilian pay raises		8,035	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	328,501	335,297	227,940
72.40	Obligated balance, start of year	37,257	36,613	37,239
74.40	Obligated balance, end of year	—36,613	—37,239	—37,503
77.00	Adjustments in expired accounts	—5,066		
90.00	Outlays, excluding pay raise supplemental	324,079	326,936	227,365
91.10	Outlays from wage-board pay raise supplemental		10	1
91.20	Outlays from civilian pay raise supplemental		7,725	310

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)				
Enacted/requested:	1984 actual	1985 estimate	1986 estimate	
Budget authority	330,403	335,297	227,940	
Outlays	324,079	334,671	227,676	
Supplemental under existing legislation:				
Budget authority		16,866		
Outlays		16,023	843	
Rescission proposal:				
Budget authority		—1,315		
Outlays		—1,315		
Total:				
Budget authority	330,403	350,848	227,940	
Outlays	324,079	349,379	228,519	

These moneys are used to administer the loan, guaranteed loan, and grant programs of the Farmers Home Administration. Activities include reviewing applications, servicing the loan portfolio and providing technical assistance and guidance to borrowers; and to assist

in extending other Federal programs to people in rural areas.

Object Classification (in thousands of dollars)

Identification code	12-2001-0-1-452	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	209,778	223,026	137,550
11.3	Other than full-time permanent	10,286	11,344	6,996
11.5	Other personnel compensation	3,505	1,490	920
11.9	Total personnel compensation	223,569	235,860	145,466
12.1	Personnel benefits: Civilian	29,951	28,999	19,588
13.0	Benefits for former personnel	945	873	873
21.0	Travel and transportation of persons	16,239	18,900	10,635
22.0	Transportation of things	1,359	1,568	924
23.2	Communications, utilities, and other rent	30,209	31,991	32,050
24.0	Printing and reproduction	3,320	3,580	2,650
25.0	Other services	17,389	11,406	15,126
26.0	Supplies and materials	3,036	3,331	2,067
31.0	Equipment	2,811	2,604	2,445
42.0	Insurance claims and indemnities	644	155	97
43.0	Interest and dividends	30	30	19
99.0	Subtotal, direct obligations	329,502	339,297	231,940
99.0	Reimbursable obligations	621	635	635
99.9	Total obligations	330,123	339,932	232,575

Personnel Summary

Total number of full-time permanent positions	10,790	10,778	7,804
Total compensable workyears:			
Full-time equivalent employment	10,354	10,473	7,367
Full-time equivalent of overtime and holiday hours	101	60	40

RURAL COMMUNITY FIRE PROTECTION GRANTS

【For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), \$3,250,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.】

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2067-0-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	3,225	3,250	.....
Financing:				
25.00	Unobligated balance lapsing	25	.....	.....
40.00	Budget authority (appropriation) ..	3,250	3,250	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,225	3,250	.....
72.40	Obligated balance, start of year	3,997	4,393	4,266
74.40	Obligated balance, end of year	-4,393	-4,266	-1,941
77.00	Adjustments in expired accounts	123	.....	.....
90.00	Outlays	2,952	3,377	2,325

Rural community fire protection grants.—This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local fire-fighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or

other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas. In 1984, 2,928 grants were obligated for a total of \$3.225 million. It is anticipated that in 1985, 2,811 grants will be obligated for a total of \$3.25 million. No program is proposed for 1986. Functions under this program for fiscal year 1986 and subsequent years will be provided by the Department of Housing and Urban Development's community development block grant program.

MUTUAL AND SELF-HELP HOUSING

【For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$8,000,000.】

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2006-0-1-604	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	5,092	13,115	.....
Financing:				
17.00	Recovery of prior year obligations	-914	.....	.....
21.40	Unobligated balance available, start of year	-3,293	-5,115	.....
24.40	Unobligated balance available, end of year ..	5,115	.....	.....
40.00	Budget authority (appropriation) ..	6,000	8,000	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	5,092	13,115	.....
72.40	Obligated balance, start of year	14,718	11,336	16,366
74.40	Obligated balance, end of year	-11,336	-16,366	-11,829
78.00	Adjustments in unexpired accounts	-914	.....	.....
90.00	Outlays	7,560	8,085	4,537

Mutual and self-help housing.—This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor. No program is proposed for fiscal year 1986. Functions under this program will be provided through programs of the Department of Housing and Urban Development.

GRANT OBLIGATIONS

	1984 actual	1985 estimate	1986 estimate
Number of grants	32	44	.....
Amount of grants (thousands of dollars)	5,092	13,115	.....

VERY LOW-INCOME HOUSING REPAIR GRANTS

【For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, \$12,500,000.】

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2064-0-1-604	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	12,500	12,500	.....

General and special funds—Continued

VERY LOW-INCOME HOUSING REPAIR GRANTS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-2064-0-1-604	1984 actual	1985 est.	1986 est.
Financing:				
40.00	Budget authority (appropriation)	12,500	12,500	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	12,500	12,500	.....
72.40	Obligated balance, start of year	1,618	164	625
74.40	Obligated balance, end of year	-164	-625	.....
77.00	Adjustments in expired accounts	-311	.....	.....
90.00	Outlays	13,643	12,039	625

This program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwelling; to make the dwelling safer or more sanitary, or; to remove health and safety hazards. A grant or a combination of a grant and a low-interest loan from the Rural housing insurance fund may be made to an eligible recipient for the needed work. No program is proposed for 1986. Functions under this program for 1986 and subsequent years will be provided through programs of the Department of Housing and Urban Development.

GRANT OBLIGATIONS

	1984 actual	1985 estimate	1986 estimate
Very low-income housing repair grants:			
Number of grants	3,642	3,486	.....
Amount of grants (thousands of dollars)	12,500	12,500	.....

RURAL RENTAL ASSISTANCE PAYMENTS

For new rental assistance agreements entered into during fiscal year 1985 pursuant to authority under section 521(a)(2) of the Housing Act of 1949, as amended, \$52,250,000. During fiscal year 1985, no more than 4,750 new units may be assisted under the agreements entered into during that year, and the total costs incurred over the life of these agreements shall not exceed the amount appropriated: *Provided*, That the life of the agreements entered into or extended during fiscal year 1985 shall not exceed five years.]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriation, for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2002-0-1-604	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	48,996	52,250	.....
Financing:				
25.00	Unobligated balance lapsing	4	.....	.....
40.00	Budget authority (appropriation) ..	49,000	52,250	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	48,996	52,250	.....
72.40	Obligated balance, start of year .....	.....	48,996	84,208
74.40	Obligated balance, end of year	-48,996	-84,208	-65,551
90.00	Outlays .....	.....	17,038	18,657

This program is authorized under section 521 of the Housing Act of 1949, as amended. The objective of the program is to reduce rents paid by low-income families living in FmHA financed rental projects and farm labor housing projects. Under this program, low-income ten-

ants will contribute the higher of (1) 30 percent of monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payment from a welfare agency. Payments are made to the project owner to make up the difference between the tenants' rent payments and the approved rental rates for the units.

This appropriation has been used to fund new rental assistance contracts. \$50,000,000 annually will be provided through the rural housing insurance fund for 1986 and 1987 to review expiring contracts. Thereafter, the functions under this program will be provided through programs of the Department of Housing and Urban Development. No program is proposed for 1986.

	1984 actual	1985 estimate	1986 estimate
Number of units assisted	4,750	4,750	.....
Amount of payments (thousands of dollars)	48,996	52,250	.....

COMPENSATION FOR CONSTRUCTION DEFECTS

For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, \$1,000,000.]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2071-0-1-371	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	395	1,000	.....
Financing:				
25.00	Unobligated balance lapsing	1,605	.....	.....
40.00	Budget authority (appropriation) ..	2,000	1,000	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	395	1,000	.....
90.00	Outlays	395	1,000	.....

This program is carried out under the provisions of section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with FmHA financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within 18 months after the date financial assistance was granted. No program is proposed for fiscal year 1986. Functions under this program for fiscal year 1986 and subsequent years will be provided through programs of the Department of Housing and Urban Development.

A summary of the activity for compensation for construction defects is as follows:

	1984 actual	1985 est.	1986 est.
Number of payments	117	400	.....
Amount of payments (in thousands)	395	1,000	.....

RURAL HOUSING PRESERVATION GRANTS

For grants for rural housing preservation, as authorized by section 522 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181), \$5,000,000.]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2070-0-1-604	1984 actual	1985 est.	1986 est.
Program by activity:				
10.00	Financial assistance for rural housing preservation (obligations, object class 41.0)		20,000	
Financing:				
21.40	Unobligated balance available, start of year		—15,000	
24.40	Unobligated balance available, end of year..	15,000		
40.00	Budget authority appropriated	15,000	5,000	
Relation of obligations to outlays				
71.00	Obligations insured, net.....		20,000	
72.40	Obligated balance, start of year			19,000
74.40	Obligated balance, end of year.....		—19,000	—11,000
90.00	Outlays.....		1,000	8,000

Housing Preservation Grants.—This grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible private nonprofit groups, Indian tribes, or government agencies for rehabilitation of Single Family Housing owned by low- and very low-income families; rehabilitation of rental and cooperative housing for low- and very low-income families and to provide assistance payments as provided by section 8 of Housing Act of 1937 to minimize the displacement of very low-income tenants residing in units rehabilitated with assistance under this section. No program is proposed for fiscal year 1986. Functions under this program for fiscal year 1986 and subsequent years will be provided through programs of the Department of Housing and Urban Development.

A summary of the activity for housing preservation grants is as follows:

GRANT OBLIGATIONS

	1984 actual	1985 estimate	1986 estimate
Housing Preservation Grants:			
Number of grants.....		100	
Amount of obligations (thousands of dollars)		20,000	

MISCELLANEOUS EXPIRING APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code	12-9912-0-1-999	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Rural housing for domestic farm labor (total obligations) (object class 41.0) ..	9,807	11,036	
Financing:				
17.00	Recovery of prior year obligations.....	—1,358		
21.40	Unobligated balance available, start of year	—15,092	—11,036	
24.40	Unobligated balance available, end of year..	11,036		
40.00	Budget authority (appropriation) ..	4,393		
Relation of obligations to outlays:				
71.00	Obligations incurred, net	9,807	11,036	
72.40	Obligated balance, start of year	34,524	30,534	29,238
74.40	Obligated balance, end of year.....	—30,534	—29,238	—18,767
77.00	Adjustments in expired accounts.....	—327		
78.00	Adjustments in unexpired accounts.....	—1,358		
90.00	Outlays.....	12,112	12,332	10,471

Distribution of budget authority by account: Rural housing for domestic farm labor				4,393		
Distribution of outlays by account:						
Rural housing for domestic farm labor.....				11,073	10,771	9,699
Rural housing supervisory assistance grants				202	16	
Rural development grants.....				837	1,545	772

Note.—This schedule reflects the spendout of previous appropriations.

Public enterprise funds:

AGRICULTURAL CREDIT INSURANCE FUND

Loans may be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928-1929, or guaranteed, as follows: [real estate loans, \$732,000,000, including not less than \$700,000,000 for farm ownership loans of which \$50,000,000 shall be guaranteed loans; and not less than \$28,000,000 for water development, use, and conservation loans of which \$6,000,000 shall be guaranteed loans;] operating loans, [\$2,420,000,000] \$3,400,000,000 of which [\$500,000,000] \$3,000,000,000 shall be guaranteed loans; and emergency insured [and guaranteed] loans in amounts necessary to meet the needs resulting from natural disasters. In sum, during fiscal year 1986, gross obligations for the principal amount of direct loans shall not exceed \$400,000,000.

For an additional amount to reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), [\$1,089,943,000] \$1,477,565,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-4140-0-3-351	1984 actual	1985 est.	1986 est.
Program by activities:				
Capital investment:				
00.01	Loans obligated	3,995,160	3,682,000	1,200,000
Loans made:				
00.02	Payment of delinquent installments	934	900	875
00.03	Advances on behalf of borrowers	163,734	150,000	135,000
00.04	Purchase of loans from investors	8,807	14,611	13,350
00.05	Purchase of certificates of beneficial ownership.....	5,395,630	4,230,410	1,272,610
00.06	Interest on loans purchased from investors.....	271	400	500
00.07	Collateral acquired by default..	30,806	25,000	20,000
00.08	Disbursement of loan repayments to investors.....	15,139	11,000	7,000
00.09	Purchase of guaranteed loans from investors.....	3,072	3,500	4,000
00.10	Interest on guaranteed loans purchased from investors.....	368	500	600
00.11	Other capital investment.....	73		
00.91	Total capital investment ..	9,613,995	8,118,321	2,653,935
Operating expenses:				
01.01	Administrative expense	61,382	51,578	47,395
01.02	Interest on certificates of beneficial ownership.....	3,004,792	3,402,020	3,383,487
01.03	Premium interest for investors ..	3,019	3,127	2,642
01.04	Interest on participation certificates.....	11,133	11,133	11,133
01.05	Interest expense on withheld collections	38,336	43,000	47,000
01.06	Interest on borrowings.....	394,798	575,000	600,000
01.07	Loss settlement expense on guaranteed loans.....	11,239	15,000	20,000

Public enterprise funds—Continued

AGRICULTURAL CREDIT INSURANCE FUND—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-4140-0-3-351	1984 actual	1985 est.	1986 est.
01.08	Undistributed charges	54		
01.09	Other expense	2,265	24,613	44,346
01.91	Total operating expenses	3,527,018	4,125,471	4,156,003
10.00	Total obligations	13,141,013	12,243,792	6,809,938
Financing:				
Offsetting collections from:				
11.00	Federal funds: Investment income from participation sales fund	-20,359	-24,483	-24,303
Non-Federal sources:				
14.00	Repayments on loans held by the fund	-2,499,270	-2,800,000	-2,900,000
14.00	Loan repayments received on behalf of investors	-15,139	-11,000	-7,000
14.00	Repayments on advances	-22,293	-30,000	-35,000
14.00	Repayment on guaranteed loans purchased from investors	-1,217	-1,300	-1,500
14.00	Proceeds from sale of acquired property and chattels	-35,485	-36,000	-41,200
14.00	Payments on judgements	-665	-1,000	-1,500
14.00	Insurance premiums	-70	-80	-90
14.00	Guarantee fees	-423	-455	-30,000
14.00	Interest revenue	-1,831,851	-998,972	-2,283,287
14.00	Fees and other revenue	-8,176	-7,600	-8,600
15.00	Off-budget Federal entities: Sale of certificates of beneficial ownership	-6,805,000	-5,332,000	-926,000
21.98	Unobligated balance available, start of year	-931,862	-1,544,237	-477,878
22.98	Unobligated balance transferred, net	3,246		
24.98	Unobligated balance available, end of year	1,544,237	477,878	1,403,985
39.00	Budget authority	2,516,687	1,934,543	1,477,565
Budget authority:				
Current:				
40.00	Appropriation	895,522	1,089,943	1,477,565
Permanent:				
67.10	Authority to borrow (7 U.S.C. 1929(c)) (indefinite)	1,621,165	844,600	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,901,065	3,000,902	551,458
72.10	Receivables in excess of obligations, start of year	-844,089	-1,480,194	-88,272
74.10	Receivables in excess of obligations, end of year	1,480,194	88,272	779,647
77.00	Adjustments in expired accounts	-59,665		
90.00	Outlays	2,477,506	1,608,980	1,242,833

Status of Direct Loans (in thousands of dollars)

Position with respect to limitation on obligations:				
Limitation on obligations:				
1110	Real estate loans	662,000	654,000	
1110	Soil and water loans	25,000	22,000	
1110	Operating loans	1,960,000	1,920,000	400,000
1110	Economic emergency loans	310,000		
1110	Transferred from Soil Conservation Service	30,000	16,000	
1110	Total limitation on obligations ¹	2,987,000	2,612,000	400,000
1130	Obligations exempt from limitation	6,456,064	5,315,021	2,085,960

Obligations incurred, gross:				
1151	Direct loans to the public	4,004,597	3,770,021	1,235,000
1153	Repurchases of loan assets from the FFB	5,395,000	4,157,000	1,250,000
1190	Unused balance of limitation, expiring	43,467		

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	278,426	409,758	1,801,532
New loans:				
1231	Disbursements for direct loans ..	3,966,447	3,698,253	1,366,759
1233	Purchases of existing loans from the public	9,437	88,021	35,960
1234	Purchases of existing loans from the FFB	5,395,000	4,157,000	1,250,000
Recoveries:				
1251	Repayments and prepayments ...	-2,521,563	-2,730,000	-2,935,000
1253	Loan sales to the FFB	-6,805,000	-5,332,000	-926,000
1254	Other capital recoveries	-371,053	-330,400	-282,350
Adjustments:				
1261	Write-offs for default	-45,830	-55,000	-60,000
1263	Other adjustments, net ²	503,894	1,895,900	485,875
1290	Outstanding, end of year	409,758	1,801,532	736,776

Addendum: Federal Financing

Bank transactions:				
Direct loans made by this account and sold with a guarantee to the FFB:				
1310	Outstanding, start of year	24,107,000	25,517,000	26,692,000
1330	Direct loans sold to the FFB	6,805,000	5,332,000	926,000
1350	Repayments	-5,395,000	-4,157,000	-1,250,000
1390	Outstanding, end of year	25,517,000	26,692,000	26,368,000

¹ The direct loan limitation for 1984 includes \$310 million of economic emergency loans enacted in 1981 and \$150 million of operating loans transferred from the Rural housing insurance fund.

² Amounts shown are based on capitalized interest, payment of delinquent installments, advancements on behalf of borrowers, loans in kind—acquired real property, and other.

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to limitation on commitments:				
2111	Real estate loans	50,000	50,000	
2111	Economic emergency loans	6,000	6,000	
2111	Soil and water loans	200,000	650,000	3,000,000
2111	Operating loans	290,000		
2111	Total, limitation on commitments: Loans by private lenders ¹ ..	546,000	706,000	3,000,000
2132	Commitments exempt from limitation: Loans by the FFB	6,805,000	5,332,000	926,000
New commitments made, gross:				
2151	Loans by private lenders ...	442,894	706,000	3,000,000
2153	Loans sold to the FFB	6,805,000	5,332,000	926,000
2190	Unused balance of limitation, expiring	103,106		

Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	25,131,671	26,644,768	27,825,504
Loans guaranteed:				
2231	New loans guaranteed	201,665	204,007	1,544,393
2232	Guarantees of direct loans sold	6,805,000	5,332,000	926,000
2250	Repayments and prepayments	-79,262	-97,350	-112,750
2250	Repurchases of loan assets from the FFB	-5,395,000	-4,157,000	-1,250,000
Adjustments:				
2261	Terminations for default	-12,656	-16,500	-22,000

2263	Other adjustments, net ² ..	-6,650	-84,421	-31,460
2290	Outstanding, end of year	26,644,768	27,825,504	28,879,687

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans out- standing, end of year	26,585,682	27,763,798	28,815,643
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¹ The guaranteed loan limitation for 1984 includes \$290 million of economic emergency loans enacted in 1981 and \$100 million of operating loans transferred from the Rural development insurance fund. The 1985 guaranteed loan limitation includes \$150 million of operating loans enacted in P.L. 98-396, Second Supplemental Appropriations Act, 1984 and made available through September 30, 1984.

² Amounts shown are based on assumption agreements, loans purchased from investors, and other.

Note.—Sales of certificates of beneficial ownership (CBOs) are reflected as reductions of direct loans outstanding and corresponding increases in guaranteed loans. This treatment results from the provisions of 7 U.S.C. 1932(d)(6). These transactions are not reflected in the direct or guaranteed loan limitation levels.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	2,516,687	1,934,543	1,477,565
Outlays	2,477,506	1,608,980	1,242,833
Proposed for later transmittal under proposed legislation:			
Budget authority			
Outlays			-44,000
Total:			
Budget authority	2,516,687	1,934,543	1,477,565
Outlays	2,477,506	1,608,980	1,198,833

The Agricultural credit insurance fund is used to insure or guarantee farm ownership, soil and water, farm operating, and emergency loans to individuals. Associations, Indian tribes and tribal corporations are eligible for the following types of loans: Indian land acquisition, watershed protection, flood prevention, and resource conservation and development.

The following loans are financed through this fund:

Farm ownership loans are made to individuals, corporations, cooperatives and partnerships, who are or will be farmers and ranchers for acquiring, enlarging, or improving not larger than family farms, including dwellings and farm buildings; for financing land and water development, use, and conservation; for developing recreational and other nonfarm enterprises; for forestry development; for refinancing indebtedness; and for loan closing costs. The FmHA and private or cooperative lenders can make loans to the same borrowers on the same security. Loans are made for 40 years or less. Insured principal indebtedness of any borrower may not exceed \$200,000 and guaranteed principal indebtedness of any borrower may not exceed \$300,000. The borrower is charged not more than the cost of money interest rate for insured loans except for low-income, limited resource borrowers who currently are charged a lower interest rate. An additional 2 percent is added to the interest rate if the loan involves the use of prime farm land for nonfarm purposes. The interest on loans that are deferred, consolidated, rescheduled or reamortized is set at the original rate or the current rate whichever is lower. The interest rate for guaranteed loans is negotiated by the lender and the borrower. No program is proposed for 1986.

Soil and water loans are made to individuals, corporations, cooperatives or partnerships, who are owners or operators of farms and ranches, for developing and

conserving land and water resources. These loans may be made on farms which are larger than family farms. Loans are made for 40 years or less. Insured principal indebtedness of any borrower may not exceed \$200,000 and guaranteed principal indebtedness of any borrower may not exceed \$300,000. The borrower is charged not more than the cost of money interest rate for insured loans. An additional 2 percent is added to the interest rate if the loan involves the use of prime farm land for nonfarm purposes. The interest rate for guaranteed loans is negotiated by the lender and the borrower. No program is proposed for 1986.

Resource conservation and development (RCD) loans are made to local sponsors of RCD projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for conservation measures specified in approved project and works of improvement plans. These loans are repayable in not more than 30 years. Loans bear interest at a rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. No program is proposed for 1986.

Watershed protection and flood prevention loans are made to local sponsors of projects approved by the Soil Conservation Service. Loans are made to local organizations for installing, repairing, or improving water storage facilities, purchasing sites or rights-of-way and for related costs. These loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. Total loans outstanding on any one project may not exceed \$10 million. No program is proposed for fiscal year 1986.

Indian tribe land acquisition loans are made to qualified Indian tribes or tribal corporations to acquire land or interest in land within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior. Loans are made for 40 years or less. The tribe is charged not more than the cost of money interest rate except those tribes that are unable to pay the higher rate currently may be charged a lower interest rate. No program is proposed for 1986.

Farm operating loans are made to individuals, corporations, cooperatives or partnerships, who are or will be the operator of a farm or ranch, for paying costs incident to reorganizing a farming system for more profitable operation; purchasing livestock, poultry, and farm equipment; purchasing feed, seed, fertilizer, and other farm supplies; meeting other essential operating expenses; financing land and water development, use, and conservation; developing recreation and other nonfarm enterprises; providing other farm and home needs; refinancing indebtedness; complying with certain safety standards; financing modest farm and nonfarm projects for rural youths in connection with their participation in 4-H clubs, Future Farmers of America, and similar organizations; and loan closing costs.

Operating loans for farming operations are confined to operators of not larger than family farms. Individuals, partnerships, corporations, and cooperatives operating family-size farms may be eligible. The outstanding principal loan balance for operating loans to a borrower is limited to \$200,000 for insured loans and \$400,000 for guaranteed loans. The 1986 budget proposes to charge

Public enterprise funds—Continued

AGRICULTURAL CREDIT INSURANCE FUND—Continued

an interest rate to the borrower $1\frac{1}{2}$ percent above Treasury obligations of comparable maturity and to terminate the limited resource subsidized loan program. The interest rate on loans that are deferred, consolidated, rescheduled or reamortized is set at the original rate or the current rate, whichever is lower. The interest rate for guaranteed loans is negotiated by the lender and the borrower. The 1986 budget proposes to raise the current FmHA up front guaranteed loan origination fee from 1 percent to 5 percent as part of a government-wide credit initiative. Funds advanced for operating expenses are usually repaid when the crops, livestock, or other farm products are sold. Funds advanced for other purposes may be repaid in 1 to 7 years. Loans are secured by crop and chattel liens and, when necessary, by real estate mortgages. It must be clearly established that the loan applicants are unable to obtain sufficient credit elsewhere to finance their needs. The 1986 budget proposes to phase out the direct farm operating loan program over a five-year period. The budget proposes to substitute loan guarantees in the amount of \$3 billion annually. The Federal guarantee will generally be limited to 70 percent of the principal amount of the privately originated loan.

Emergency disaster loans are made available in designated counties and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Subsequent emergency loans for annual operating expenses are made to established eligible farmers, ranchers, and aquaculture operators at a market rate of interest as established periodically by the Secretary. Effective October 1, 1982, such subsequent annual production loans are available *only* to those borrowers who were indebted to FmHA for an emergency loan on December 15, 1979, and who have received an initial emergency annual production loan due to a disaster occurring prior to December 15, 1979.

Actual loss loans are made for physical losses to repair, restore, or replace damaged or destroyed farm property, livestock and livestock products, and supplies, and for production losses to compensate for loss of income based on reduced production of crops resulting from the disaster. Repayment terms vary according to the purposes of the loan and the projected repayment ability of the borrower. Loans for actual losses to crops, livestock, supplies, and equipment may be scheduled for repayment for up to 7 years. Under some conditions a longer repayment period may be authorized, but not to exceed 20 years. Generally, real estate will be needed as security when more than 7 years is authorized. Real estate loans will generally be scheduled for repayment within 30 years but may be scheduled for up to 40 years. Annual operating expenses usually will be scheduled for repayment each year when the principal income from the year's operations is received.

An actual loss loan may not exceed \$500,000 or the calculated amount of the actual loss, whichever is less, for each disaster. The interest rate is 8 percent on loans for actual losses caused by disasters on and after October 1, 1981. The interest rate is 5 percent on loans for

actual losses caused between September 30, 1978 and October 1, 1981. Loans are authorized for counties which are contiguous to counties already named as eligible for loans due to losses from natural disasters occurring after May 30, 1983.

A farmer who cannot obtain credit elsewhere is eligible for an actual loss loan of up to \$500,000 per disaster at an interest rate of 5 percent on the first \$100,000 borrowed. Amounts above \$100,000, up to the limit of \$500,000, will be subject to an interest rate of 8 percent. Annual production loans are made to borrowers who cannot obtain credit elsewhere at the rates prevailing in the private market for similar type loans, provided they were indebted in the program on December 15, 1979. The interest rate on loans that are deferred, consolidated, rescheduled or reamortized is set at the original rate or the current rate, whichever is lower. The Small Business Act of 1980, Public Law 96-302, made credit-worthy borrowers eligible for FmHA emergency disaster actual loss loans at a market rate of interest. No program is proposed for 1986. Legislation is being proposed to exclude disaster loans in counties where Federal crop insurance is available. Federal crop insurance is currently available for most crops in virtually all counties.

Economic emergency loans are made from December 22, 1983 through September 30, 1984. This program enabled the Secretary of Agriculture to insure or guarantee up to \$600 million in loans to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production. It allows them to continue their normal farming or ranching operations during the economic emergency which caused a serious lack of agricultural credit due to national or area-wide economic stress. No program was authorized in 1985 and no program is proposed in 1986.

The following table shows 1984 actual and estimated 1985 and 1986 number of loans and program levels. The guaranteed program levels reflect the full principal amount of the loan of which part is guaranteed by the U.S. Government.

	[Dollars in millions]					
	1984 actual		1985 estimate		1986 estimate	
	Number	Amount	Number	Amount	Number	Amount
Agricultural credit insurance fund:						
Insured farm ownership loans.....	8,456	\$659.2	7,880	\$650.0	.....	.....
Guaranteed farm ownership loans.....	261	41.5	300	50.0	.....	.....
Insured farm operating loans.....	59,202	1,959.7	48,000	1,920.0	9,415	\$400.0
Guaranteed farm operating loans.....	965	111.4	4,925	650.0	21,430	3,000.0
Emergency disaster loans	34,997	1,051.6	33,650	1,070.0	23,690	800.0
Insured economic emergency loans.....	4,061	309.4	.....	.....	.....	.....
Guaranteed economic emergency loans.....	1,709	289.9	.....	.....	.....	.....
Insured soil and water loans.....	771	12.5	1,275	22.0	.....	.....
Guaranteed soil and water loans.....	.....	.....	30	6.0	.....	.....
Indian tribe land acquisition loans.....	3	2.6	4	4.0	.....	.....
Watershed protection and flood prevention loans.....	.....	.....	2	14.0	.....	.....

Resource conservation and development loans	2	.1	2	2.0	.....	.....
Total, Agricultural credit insurance fund.....	110,427	4,438.1	96,068	4,388.0	54,535	4,200.0

The new obligational authority required for "Insufficiencies" is computed as follows (in thousands of dollars):

	1984 actual	1985 estimate	1986 estimate
Interest accrued on participation certificates	11,133	11,133	11,133
Amortized discount on participation certificates	5	5	5
Interest accrued on an equal amount of loans in the pool	-1,107	-1,107	-1,107
Insufficiency	10,031	10,031	10,031
Financed by:			
Investment income from:			
Participation sales trust fund	-20,359	-24,483	-24,303
Retained earnings reserved to meet insuffi- ciencies	10,327	14,452	14,272
New obligational authority required .....	.....	.....	.....

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Revenue	2,169,190	2,336,223	2,567,499
Expense	-4,704,951	-5,659,853	-6,087,518
Net operating loss	-2,535,760	-3,323,630	-3,520,019
Nonoperating income or loss (—):			
Proceeds from sale of acquired property:			
Cash	39,758	36,000	41,200
Loans receivable	108,094	140,000	160,000
Total proceeds from sale	147,853	176,000	201,200
Net book value of assets sold	-209,413	-242,100	-272,500
Net nonoperating loss	-61,560	-66,100	-71,300
Net loss for the year	-2,597,321	-3,389,730	-3,591,319

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Fund balance with				
Treasury	87,773	64,043	69,654	117,292
Accounts receivable (net)	2,599,703	3,292,686	2,751,001	3,258,685
Interest collections held by or for trustee	90	65	65	65
Interest collections held in escrow for trustee	-54	-37	-37	-37
Loans receivable (net)	276,338	406,429	1,260,082	366,996
Real property	352,378	603,820	762,770	829,210
Other assets (net):				
Judgments	1,440	2,165	3,240	4,746
Deferred charges and unamortized discount on par- ticipation certi- ficates and loans sold	618	662	653	644
Guaranteed loans purchased from holders	14,165	8,010	9,110	10,360
Total assets	3,332,449	4,377,844	4,856,538	4,987,961

Liabilities:

Selected liabilities:

Accounts payable and accrued li- abilities	1,239,528	1,365,980	1,482,212	1,395,286
Advances received ...	192,662	154,035	153,180	242,080
Debt issued under borrowing authority:				
Borrowings from				
Treasury	2,925,000	4,486,500	5,686,500	5,686,500
Participation certi- ficates outstanding	178,310	178,310	178,310	178,310
Principal repay- ments to be ap- plied to redemp- tion of participa- tion certificates...	-150,889	-154,123	-154,122	-154,122
Principal collections held in escrow for trustee	165	151	151	151
Other liabilities: Provi- sion for potential losses on loans sold or guaranteed	215,079	243,641	279,895	320,748
Total liabilities	4,599,854	6,274,495	7,626,126	8,068,953

Government equity:

Selected equities:

Unexpended balance:				
Unobligated bal- ance	931,862	1,544,237	909,038	2,069,145
Undelivered orders	323,459	292,506	276,253	69,494
Invested capital	-2,522,726	-3,733,394	-3,954,879	-5,219,631
Total Government equity	-1,267,405	-1,896,651	-2,769,588	-3,080,992

Analysis of changes in Government
equity:

Paid-in capital:				
Opening balance	3,928,063	5,000,616	6,427,466	
Transactions:				
Unfunded administrative expense...	143,362	175,000	200,000	
Unfunded accrued annual leave	740	1,200	1,600	
Unfunded depreciation expense	559	650	750	
Imputed interest	927,893	1,250,000	1,600,000	
Closing balance	5,000,616	6,427,466	8,229,816	
Retained income or loss (—):				
Opening balance	-5,195,468	-6,897,267	-9,197,054	
Transactions:				
Net operating loss	-2,535,760	-3,323,630	-3,520,019	
Net nonoperating loss	-61,560	-66,100	-71,300	
Appropriation to meet deficit	895,522	1,089,943	1,477,565	
Closing balance	-6,897,267	-9,197,054	-11,310,808	
Total Government equity (end of year)	-1,896,651	-2,769,588	-3,080,992	

Note.—This statement excludes unfunded contingent liabilities under insurance programs in principal amounts in 1983, \$25,088,570 thousand; 1984, \$26,585,682 thousand; 1985, \$28,284,026 thousand; 1986, \$28,265,870 thousand.

Object Classification (in thousands of dollars)

Identification code	12-4140-0-3-351	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1 Full-time permanent		29,277	18,640	18,799
11.3 Other than full-time permanent		11,566	11,878	11,979
11.5 Other personnel compensation		723	3,145	469
11.9 Total personnel compensation		41,566	33,663	31,247
12.1 Personnel benefits: Civilian		5,053	3,706	3,739
13.0 Benefits for former personnel			152	152
21.0 Travel and transportation of persons		2,781	3,317	2,517

Public enterprise funds—Continued

AGRICULTURAL CREDIT INSURANCE FUND—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-4140-0-3-351	1984 actual	1985 est.	1986 est.
22.0	Transportation of things.....	212	158	158
23.1	Standard level user charges.....	372	427	427
23.2	Communications, utilities, and other rent....	5,270	3,668	3,668
24.0	Printing and reproduction.....	436	424	424
25.0	Other services.....	18,547	44,464	68,997
26.0	Supplies and materials.....	649	412	412
31.0	Equipment.....		800	
33.0	Investments and loans.....	9,598,217	8,106,421	2,645,835
43.0	Interest and dividends.....	3,441,584	4,024,047	4,034,229
43.0	Interest on participation certificates.....	11,133	11,133	11,133
44.0	Refunds.....	15,139	11,000	7,000
92.0	Undistributed charges.....	54		
99.9	Total obligations.....	13,141,013	12,243,792	6,809,938

Personnel Summary

Total number of full-time permanent positions.....	23	23	23
Total compensable workyears:			
Full-time equivalent employment.....	2,144	1,609	1,609
Full-time equivalent of overtime and holiday hours.....	28	128	18

AGRICULTURAL CREDIT INSURANCE FUND

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-4140-2-3-351	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 33.0).....			—800,000
Financing:				
Offsetting collections from:				
14.00	Non-Federal sources: Interest.....			40,000
15.00	Off-budget Federal entities.....			760,000
39.00	Budget authority			
Relation of obligation to outlays:				
74.10	Receivables in excess of obligations, end of year.....			—44,000
90.00	Outlays.....			—44,000

Status of Direct Loans (in thousands of dollars)

Identification code	12-4140-2-3-351	1984 actual	1985 est.	1986 est.
Position with respect to limitation on obligations:				
1110	Limitation on obligations.....			
1130	Obligations exempt from limitation.....			—800,000
1151	Obligations incurred, gross: Direct loans to the public.....			—800,000
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....			
1231	New loans: Disbursements for direct loans.....			—760,000
1253	Recoveries: Loan sales to the FFB.....			760,000
1290	Outstanding, end of year.....			

Addendum: Federal Financing Bank transactions:

Direct loans made by this account and sold with a guarantee to the FFB:				
1310	Outstanding, start of year.....			
1330	Direct loans sold to the FFB.....			—760,000
1390	Outstanding, end of year.....			—760,000

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to limitation on commitments:

2112	Limitation on commitments: Loans by the FFB.....			
2132	Commitments exempt from limitation: Loans by the FFB.....			—760,000
2153	New commitments made, gross: Loans sold the FFB.....			—760,000

Cumulative balance of guaranteed loans outstanding:

2210	Outstanding, start of year.....			
2232	Loans guaranteed: Guarantees of direct loans sold.....			—760,000
2290	Outstanding, end of year.....			—760,000

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year.....			—760,000
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Legislation will be proposed to exclude disaster loans in counties where Federal crop insurance is available. Federal crop insurance is currently available for most crops in virtually all counties.

SELF-HELP HOUSING LAND DEVELOPMENT FUND

【For direct loans from the Self-Help Housing Land Development Fund pursuant to section 523(b)(1)(B) of the Housing Act of 1949, as amended (42 U.S.C. 1490c), \$2,700,000.】

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-4222-0-3-371	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 33.0).....		2,700	
Financing:				
Offsetting collections from: Non-Federal sources.....				
14.00	Non-Federal sources: Interest.....	—996	—318	—601
21.98	Unobligated balance available, start of year: Fund balance.....	—2,720	—3,716	—1,334
24.98	Unobligated balance available, end of year: Fund balance.....	3,716	1,334	1,935
39.00	Budget authority (appropriation)			
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	—996	2,382	—601
72.10	Receivables in excess of obligations, start of year.....	—36	—11	—21
72.98	Obligated balance, start of year: Fund balance.....			1,900
74.10	Receivables in excess of obligations, end of year.....	11	21	31
74.98	Obligated balance, end of year.....		—1,900	—700
90.00	Outlays.....	—1,021	492	609

Status of Direct Loans (in thousands of dollars)

Position with respect to limitation on obligations:				
1110	Limitation on obligations.....		2,700	
1151	Direct loans to the public.....		2,700	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	1,556	585	1,092
1231	New loans: Disbursements for direct loans.....		800	1,200

1251 Recoveries: Repayments and prepayments...	—971	—293	—559
1290 Outstanding, end of year.....	585	1,092	1,733

The Self-help housing land development fund is authorized under Section 523(b)(1)(B) of the Housing Act of 1949, as amended. The fund provides qualified public or private nonprofit organizations with financing for the acquisition and development of building sites for homes to be constructed by the self-help method. Seven loans amounting to \$2.7 million are expected to be obligated.

No program level is proposed for fiscal year 1986. Functions under this program for fiscal year 1986 and subsequent years will be funded through programs of the Department of Housing and Urban Development.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Revenue.....	25	25	42
Expense.....	—1,269	—1,417	—1,480
Net loss for the year.....	—1,244	—1,392	—1,438

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Fund balance with Treasury.....	2,683	3,705	3,213	2,604
Accounts receivable (net).....	37	11	21	31
Loans receivable (net).....	1,556	585	1,092	1,733
Total assets.....	4,276	4,301	4,326	4,368
Liabilities:				
Selected liabilities:				
Advances received.....				
Government equity:				
Selected equities:				
Unexpended balances:				
Unobligated balance.....	2,720	3,716	1,334	1,935
Undelivered orders.....			1,900	700
Invested capital.....	1,556	585	1,092	1,733
Total Government equity.....	4,276	4,301	4,326	4,368
Analysis of changes in Government equity:				
Paid-in capital:				
Opening balance.....	14,108	15,377	16,794	
Transactions:				
Unfunded administrative expenses.....	602	689	689	
Unfunded accrued annual leave.....	2	2	2	
Unfunded depreciation expense.....	2	2	2	
Imputed interest.....	663	724	787	
Closing balance.....	15,377	16,794	18,274	
Retained income or loss (—):				
Opening balance.....	—9,832	—11,076	—12,468	
Transactions: Net operating loss.....	—1,244	—1,392	1,438	
Closing balance.....	—11,076	—12,468	—13,906	
Total Government equity (end of period)....	4,301	4,326	4,368	

RURAL HOUSING INSURANCE FUND

For [direct loans and related advances pursuant to section 517(m) of the Housing Act of 1949, as amended, \$17,000,000 shall be available from funds in the Rural Housing Insurance Fund, and for] insured loans as authorized by title V of the Housing Act of 1949, as amended, [\$3,221,000,000; of which not less than \$3,220,000,000 shall] \$30,000,000 which shall be available for subsidized interest loans to

low-income borrowers, as determined by the Secretary, [and for subsequent loans to existing borrowers or to purchasers under assumption agreements or credit sales;] and not to exceed \$10,000,000 to enter into collection and servicing contracts pursuant to the provisions of section 3(f)(3) of the Federal Claims Act of 1966 (31 U.S.C. 952).

During fiscal year [1985] 1986, no more than [10,500] 4,550 units may be assisted under rental assistance agreements entered into or extended during the year pursuant to authority under section 521(a)(2) of the Housing Act of 1949, as amended, and the total [new] obligation incurred over the life of these agreements shall not exceed [\$116,000,000] \$50,000,000 to be added to and merged with the authority provided for this purpose in prior fiscal years: *Provided*, That the life of the agreements entered into or extended during fiscal year [1985] 1986 shall not exceed five years.

For an additional amount to reimburse the Rural Housing Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1483, 1487e, and 1490a(c)), including [\$2,985,000] \$2,757,000 as authorized by section 521(c) of the Act, [\$1,843,927,000] \$2,136,784,000, and for an additional amount as authorized by section 521(c) of the Act as may be necessary to reimburse the fund to carry out a rental assistance program under section 521(a)(2) of the Housing Act of 1949, as amended. *In sum, during 1986, gross obligations for the principal amount of insured loans shall not exceed \$30,000,000.*

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-4141-0-3-371	1984 actual	1985 est.	1986 est.
Program by activities:				
Capital investment:				
00.01 Loans obligated.....		2,776,053	3,238,000	30,000
00.02 Loans made:				
Payment of delinquent installments.....		310	300	250
00.03 Advances on behalf of borrowers.....		27,375	30,000	32,000
00.04 Purchase of loans from investors.....		24,055	50,000	55,000
00.05 Purchase of certificates of beneficial ownership.....		3,935,331	2,267,380	82,700
00.06 Interest on loans purchased from investors.....		191		
00.07 Collateral acquired by default..		51,184	44,620	36,850
00.08 Judgments.....		8		
00.09 Disbursement of loan repayments to investors.....		45,408	37,000	30,000
00.10 Purchase of guaranteed loans from investors.....		—208		
00.11 Interest on guaranteed loans purchased from investors.....		—29		
00.12 Other capital investment.....		—140		
00.91 Total capital investment.....		6,859,538	5,667,300	266,800
Operating expenses:				
01.01 Administrative expense.....		4,407	94,000	116,000
01.02 Interest on certificates of beneficial ownership.....		3,124,378	3,485,900	3,607,800
01.03 Premium interest for investors.....		2,525	2,350	2,100
01.04 Interest on participation certificates.....		5,013	5,013	5,013
01.05 Interest expense on withheld collections.....		3,190	2,400	2,000
01.06 Interest on borrowings.....		236,307	210,000	229,500
01.07 Interest supplements.....		1,017	1,025	1,000
01.08 Rental assistance payments.....		61,998	116,000	50,000
01.09 Undistributed charges.....		1,150		
01.10 Loss settlement expense on guaranteed loans.....		185		
01.11 Other expense.....		8,066	2,000	1,500

Public enterprise funds—Continued

RURAL HOUSING INSURANCE FUND—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-4141-0-3-371	1984 actual	1985 est.	1986 est.
01.91	Total operating expenses.....	3,448,236	3,918,688	4,014,913
10.00	Total obligations.....	10,307,774	9,585,988	4,281,713
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	-8,688	-10,493	-10,416
Non-Federal sources:				
14.00	Repayments on loans held by the fund.....	-1,233,870	-1,337,000	-1,444,000
14.00	Loan repayments received on behalf of investors.....	-45,408	-37,000	-30,000
14.00	Repayments on advances.....	-16,333	-19,600	-26,400
14.00	Sale of loans.....	-30,117	-25,000	-20,000
14.00	Proceeds from sale of acquired property.....	-56,844	-46,000	-39,000
14.00	Payments on judgments.....	-290	-350	-375
14.00	Insurance premiums.....	-33	-23	-20
14.00	Guarantee fees.....	-25	-150	-100
14.00	Interest revenue.....	-1,286,868	-1,397,429	-1,483,688
14.00	Principal attributed to subsidy recoveries.....	-3,110	-54,550	-6,500
14.00	Subsidy recoveries.....	-2,502	-3,500	-5,500
14.00	Fees and other revenue.....	-3,556	-3,417	-3,390
15.00	Off-budget Federal entities.....	-5,020,000	-4,445,000	-26,000
22.98	Unobligated balance transferred, net.....	3,470	409	409
32.47	Balance of authority to borrow withdrawn.....		66,899	1,092,837
39.00	Budget authority.....	2,603,600	2,273,784	2,279,570
Budget authority:				
Current:				
40.00	Appropriation.....	1,508,082	1,843,927	2,136,784
40.00	Appropriation (indefinite).....	112,769	148,413	142,786
Permanent:				
67.10	Authority to borrow (42 U.S.C. 1487 (h)) (indefinite).....	982,749	281,444	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	2,600,130	2,206,476	1,186,324
72.47	Obligated balance, start of year: Authority to borrow.....	4,823,692	4,972,618	4,977,271
72.98	Fund balance.....	26,957	63,859	38,562
73.47	Obligated balance transferred, net.....			
74.47	Obligated balance, end of year: Authority to borrow.....	-4,972,618	-4,977,271	-3,661,723
74.98	Fund balance.....	-63,859	-38,562	-49,507
77.00	Adjustments in expired accounts.....	-73,823		
90.00	Outlays.....	2,340,479	2,227,120	2,490,927

Note.—Excludes \$116,000 in budget authority in 1985 and \$50,000 in 1986 for activities transferred to Rural Rental Assistance Payments. Comparable amounts for 1983 (\$123,744) and 1984 (\$61,998) are included above.

Status of Direct Loans (in thousands of dollars)

Identification code	12-4141-0-3-371	1984 actual	1985 est.	1986 est.
Position with respect to limitation on obligations:				
1110	Limitation on obligations ¹	3,135,000	3,238,000	30,000
1130	Obligations exempt from limitation.....	3,959,386	2,317,380	343,700
Obligations incurred, gross:				
1151	Direct loans to the public.....	2,776,010	3,445,380	167,700
1153	Repurchases of loan assets from the FFB.....	3,930,000	2,110,000	206,000
1190	Unused balance of limitation, expiring.....	388,376		

Cumulative balance of direct

1210	Outstanding, start of year.....	345,532	435,332	143,112
New loans:				
1231	Disbursements for direct loans ..	2,532,679	3,244,000	1,483,000
1233	Purchases of existing loans from the public.....	29,386	207,380	137,700
1234	Purchases of existing loans from the FFB.....	3,930,000	2,110,000	206,000
Recoveries:				
1251	Repayments and prepayments ...	-1,250,203	-1,356,600	-1,470,400
1252	Loan sales to the public.....	-30,117	-25,000	-20,000
1253	Loan sales to the FFB.....	-5,020,000	-4,445,000	-26,000
1254	Other capital recoveries.....	-534,177	-455,800	-395,750
Adjustments:				
1261	Write-offs for default.....	-13,905	-10,500	-11,500
1263	Other adjustments, net ²	446,137	439,300	408,950
1290	Outstanding, end of year.....	435,332	143,112	455,112
Federal Financing Bank transactions:				
Direct loans made by this account and sold with a guarantee to the FFB:				
1310	Outstanding, start of year.....	25,676,000	26,766,000	29,101,000
1330	Direct loans sold to the FFB.....	5,020,000	4,445,000	26,000
1350	Repayments.....	-3,930,000	-2,110,000	-206,000
1390	Outstanding, end of year.....	26,766,000	29,101,000	28,921,000

¹ The 1984 direct loan limitation reflects a transfer of \$150 million of direct loans from the Rural housing insurance fund to the Agricultural credit insurance fund.

² Amounts shown are based on capitalized interest, payment of delinquent installments, advances, acquired property, and gains/losses on assumptions.

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to limitation on commitments:				
Limitation on commitments:				
2111	Loans by private lenders.....			
2112	Loans by the FFB.....			
Commitments exempt from limitation:				
2131	Loans by private lenders.....	30,117	25,000	20,000
2132	Loans by the FFB.....	5,020,000	4,445,000	26,000
New commitments made, gross:				
2151	Loans by private lenders.....	30,117	25,000	20,000
2153	Loans sold to the FFB.....	5,020,000	4,445,000	26,000

Cumulative balance of guaranteed

2210	Outstanding, start of year.....	26,674,358	27,759,054	29,888,385
Loans guaranteed:				
2231	New loans guaranteed.....	338	333	
2232	Guarantees of direct loans sold ..	5,050,117	4,470,000	46,000
2250	Repayments and prepayments.....	-30,222	-22,222	-18,000
2250	Repurchases of loan assets from the FFB.....	-3,930,000	-2,110,000	-206,000
Adjustments:				
2261	Terminations for default.....	-206		
2263	Other adjustments, net ¹	-5,331	-208,780	67,200
2290	Outstanding, end of year.....	27,759,054	29,888,385	29,777,585

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year.....	27,756,109	29,819,000	29,708,110
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¹ Amounts shown are based on purchase of loans from investors and acquired property

Note.—Sales of certificates of beneficial ownership (CBO's) are reflected as reductions of loans outstanding and corresponding increases in guaranteed loans. This treatment results from the provisions of 7 U.S.C. 1932(d)(6). These transactions are not reflected in the direct or guaranteed loan limitation levels.

Rural housing insurance fund.—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended.

This fund may be used to insure or guarantee rural housing loans for single family homes, rental and cooperative housing, farm labor housing, rural housing sites and to make rental assistance payments authorized by Section 521(a). Loan programs are limited to rural areas which include towns, villages, and other places which are not part of an urban area and which have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

The 1986 budget proposes to terminate the sections 504, 514, 502 (except for repair purposes as explained below), 515, 521 (except for expiring contract renewals), and 524 rural housing programs. The functions under these programs are proposed to be transferred to the Department of Housing and Urban Development.

The major programs currently funded through the Rural Housing Insurance Fund are:

Section 504 very low-income housing repair loans.—Home repair loans for very low-income owner/occupants are made from amounts available in this fund. These loans are made to families and individuals to repair their dwellings in order to make them safe and to remove health hazards. The loans are made at 1 percent interest for a term of not more than 20 years and presently carry a maximum lifetime assistance level (loan or combination loan and grant) of \$7,500. No program is proposed for 1986.

Section 502 very low and low to moderate income housing loans.—Individual home ownership loans are made to very low, low and moderate income individuals and families who are unable to obtain home ownership financing from conventional sources on terms they reasonably can be expected to meet. Loans may be made to eligible applicants to construct, improve, alter, repair, or replace dwellings, and may include funds to purchase a conventionally constructed or manufactured house and related building sites. These loans generally have a term of up to 33 years and currently bear a note rate based on the cost of Treasury borrowings. However, interest credits may reduce a borrower's effective interest rate to as low as 1 percent. For 1986, it is proposed that funding be limited to making essential repairs to existing housing occupied exclusively by borrowers qualifying for interest credits.

Section 514 domestic farm labor housing loans.—These loans are made to farm owners, public or private nonprofit organizations of farm workers to provide modest living quarters, basic household furnishings, and related facilities, including the land necessary for an adequate site for domestic farm labor or Indian tribe housing. Loans bear interest at 1 percent and in some cases may be made in conjunction with a domestic farm labor housing grant. No program is proposed for 1986.

Section 515 domestic rural rental housing loans.—Rural rental and cooperative housing loans are made to individuals, corporations, partnerships, Indian tribes and public bodies with the objective of providing low-rent housing and related facilities for elderly or handicapped persons or families of low or moderate income. These loans bear a note rate based on the cost of Treas-

ury borrowings and may be subsidized to a rate as low as 1 percent through interest credits and terms up to 50 years. This subsidy permits rents to be adjusted to a level that lower income families can afford to pay. The Rural Rental Housing Program operates in tandem with the HUD section 8 Rental Assistance Program and the FmHA Rental Assistance Program which is discussed below. No program is proposed for 1986.

Section 521 rural rental assistance.—The objective of the rental assistance program is to reduce rents paid by low-income families living in FmHA financed rental projects and farm labor housing projects. Payments from the fund are made to the project owner to make up the difference between the tenant's payment and the approved rental rate established for the unit. The proposed 1986 budget will allow the extension of existing 5-year rental assistance contracts which will be expiring during the year and for servicing activities.

Section 524 rural housing site loans.—Site development loans are made for the purchase and development of land to be subdivided into building sites and sold on a nonprofit basis to low- and moderate-income families or to organizations for rental or cooperative housing. These loans have a term of 2 years and currently bear a note rate based on the cost of Treasury borrowing. No program is proposed for 1986.

The following table shows 1984 actual and estimated 1985 and 1986 number of units and program levels.

RURAL HOUSING PROGRAMS—OBLIGATIONS

	[Dollars in millions]					
	1984 actual		1985 estimate		1986 estimate	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
Subsidized housing loan assistance:						
Low-income housing loans to individuals (insured):						
Purchase of new dwellings	27,674	1,136,972	33,300	1,420,000	.....	.....
Purchase of existing dwellings	15,023	674,684	17,700	824,000	.....	.....
Repair and rehabilitation of existing dwellings	762	24,292	1,390	46,000	.....	.....
Very low-income housing repair loans (direct) ..	2,057	7,173	4,700	17,000	.....	.....
Rural rental housing loans (insured)	27,100	919,002	25,500	900,000	.....	.....
Farm labor housing loans (insured)	402	5,485	810	20,000	.....	.....
Subtotal, subsidized housing loan assistance	73,018	2,767,608	83,400	3,227,000	.....	.....
Unsubsidized housing loan assistance:						
Moderate-income housing loans to individuals (insured)	20	581	.....	.....	.....	.....
Low or moderate income loans (servicing) and repairs .....	.....	7,608	.....	10,000	.....	30,000
Rural rental housing site loans (insured)	-24	-213	-110	1,000	.....	.....
Subtotal, unsubsidized housing loan assistance ..	20	8,402	.....	11,000	.....	30,000

Public enterprise funds—Continued

RURAL HOUSING INSURANCE FUND—Continued

RURAL HOUSING PROGRAMS—OBLIGATIONS—Continued

	[Dollars in millions]					
	1984 actual		1985 estimate		1986 estimate	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
Total loan assistance.....	73,038	2,776,010	83,400	3,238,000	.....	30,000
Rural rental assistance payments.....	—6,000	61,998	—10,500	116,000	—4,550	50,000
Total housing programs.....	73,038	2,838,008	83,400	3,354,000	.....	80,000

Note.—All unit information is preliminary. All amount information is subject to minor shifts between some categories. The units for rural rental assistance are included in number of units assisted in the corresponding loan programs. The site loan program provides homesites rather than dwelling units.

The new budget authority required for "Insufficiencies" is computed as follows (in thousands of dollars):

	1984 actual	1985 estimate	1986 estimate
Interest accrued on participation certificates.....	5,013	5,013	5,013
Amortized discount on participation certificates.....	10	10	10
Interest accrued on an equal amount of loans in the pool.....	—409	—409	—409
Insufficiency.....	4,614	4,614	4,614
Financed by:			
Investment income from participation sales trust fund.....	—8,688	—10,493	—10,416
Retained earnings reserved for future insufficiencies.....	4,074	5,879	5,802
New obligational authority.....	.....	.....	.....

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Revenue.....	1,358,022	1,512,139	1,549,889
Expense.....	—5,141,235	—5,633,382	—5,984,201
Net operating loss.....	—3,783,213	—4,121,243	—4,434,312
Nonoperating income or loss (—):			
Proceeds from sale of acquired property:			
Cash.....	57,618	46,000	39,000
Loans receivable.....	403,007	393,500	361,200
Total proceeds from sale.....	460,625	439,500	400,200
Net book value of assets sold.....	—554,410	—510,500	—467,600
Net nonoperating loss.....	—93,785	—71,000	—67,400
Net loss for the year.....	—3,876,998	—4,192,243	—4,501,712

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Fund balance with Treasury.....	26,957	63,859	38,562	49,507
Accounts receivable (net).....	254,619	245,265	251,688	261,541
Interest collections held by or for trustee.....	73	44	44	44
Interest collections held in escrow for trustee.....	—35	—21	—21	—21
Loans receivable (net).....	325,327	416,924	317,619	133,619
Real property.....	379,063	441,601	457,481	444,781
Other assets (net):				
Judgments.....	279	411	439	472

Guaranteed loans purchased from holders.....	331	62	62	62
Deferred charges and unamortized discount on participation certificates and loans sold.....	214	1,343	1,322	1,301
Total assets.....	986,828	1,169,488	1,067,196	891,306

Liabilities:

Selected liabilities:

Accounts payable and accrued liabilities.....	1,359,709	1,420,753	1,543,928	1,571,228
Advances received.....	147,430	144,066	143,510	140,957

Debt issued under borrowing authority:

Borrowings from Treasury.....	2,620,718	3,380,718	3,680,718	3,830,718
Participation certificates outstanding.....	80,287	80,287	80,287	80,287
Principal repayments to be applied to redemption of participation certificates.....	—68,271	—71,671	—71,671	—71,671
Principal collections held in escrow for trustee.....	274	204	204	204

Other liabilities:

Provision for potential losses on loans sold or guaranteed.....	197,725	200,032	213,874	213,979
Total liabilities.....	4,337,872	5,154,389	5,590,850	5,765,702

Government equity:

Selected equities:

Unexpended balances: Undelivered orders.....	3,598,167	3,716,946	3,678,533	2,132,747
Unfinanced budget authority: Borrowing authority.....	—4,823,692	—4,972,618	—5,075,698	—3,533,861
Invested capital.....	—2,125,519	—2,729,229	—3,126,489	—3,473,282
Total Government equity.....	—3,351,044	—3,984,901	—4,523,654	—4,874,396

Analysis of changes in Government equity:

Paid-in capital:

Opening balance.....	5,392,613	7,014,903	8,676,053	
Transactions:				
Unfunded administrative expense.....	155,180	160,000	170,000	
Unfunded accrued annual leave.....	562	650	750	
Unfunded depreciation expense.....	425	500	650	
Imputed interest.....	1,466,123	1,500,000	1,700,000	
Closing balance.....	7,014,903	8,676,053	10,547,453	

Retained income or loss (—):

Opening balance.....	—8,743,657	—10,999,804	—13,199,707	
Transactions:				
Net operating loss.....	—3,783,213	—4,121,243	—4,434,312	
Net nonoperating loss.....	—93,785	—71,000	—67,400	
Appropriation to meet deficit.....	1,508,082	1,843,927	2,136,784	
Appropriation for rental assistance payments.....	112,769	148,413	142,786	
Closing balance.....	—10,999,804	—13,199,707	—15,421,849	
Total Government equity (end of year).....	—3,984,901	—4,523,654	—4,874,396	

Note.—This statement excludes unfunded contingent liabilities under insurance programs in principal amounts in 1983, \$26,671,204 thousand; 1984, \$27,756,109 thousand; 1985, \$29,693,094 thousand; 1986, \$29,881,494 thousand.

Object Classification (in thousands of dollars)

Identification code	12-4141-0-3-371	1984 actual	1985 est.	1986 est.
25.0	Other services	12,658	96,000	117,500
33.0	Investments and loans	6,813,968	5,630,300	373,700
41.0	Grants, subsidies, and contributions	63,015	117,025	51,000
43.0	Interest and dividends	3,366,562	3,700,650	3,704,500
43.0	Interest on participation certificates	5,013	5,013	5,013
44.0	Refunds	45,408	37,000	30,000
92.0	Undistributed charges	1,150		
99.9	Total obligations	10,307,774	9,585,988	4,281,713

RURAL DEVELOPMENT INSURANCE FUND

For loans to be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928 and 86 Stat. 661-664, as follows: insured water and sewer facility loans, [\$340,000,000; guaranteed industrial development loans, \$150,000,000; and insured community facility loans, \$115,000,000] \$50,000,000. In sum, during 1986, gross obligations for the principal amount of direct loans shall not exceed \$50,000,000.

For an additional amount to reimburse the Rural Development Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), [\$560,005,000] \$612,098,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743.

Program and Financing (in thousands of dollars)

Identification code	12-4155-0-3-452	1984 actual	1985 est.	1986 est.
Program by activities:				
Capital investment:				
00.01	Loans obligated	399,999	455,000	50,000
00.02	Loans made: Advances on behalf of borrowers	46	50	46
00.03	Purchase of loans from investors	7,687	8,326	784
00.04	Purchase of certificates of beneficial ownership	984,389	642,215	40,800
00.05	Interest on loans purchased from investors	2	50	50
00.06	Collateral acquired by default	—35		
00.07	Disbursement of loan repayments to investors	11,347	10,083	9,731
00.08	Purchase of guaranteed loans from investors	135,280	95,000	66,000
00.09	Interest on guaranteed loans purchased from investors	14,772	9,400	6,500
00.91	Total capital investment	1,553,487	1,220,124	173,911
Operating expenses:				
01.01	Administrative expenses	—2	133	412
01.02	Interest on certificates of beneficial ownership	861,758	941,531	1,006,172
01.03	Premium interest for investors	4,138	3,976	3,710
01.04	Interest expense on withheld collections	1,043	950	900
01.05	Interest on borrowings	136,238	160,066	183,842
01.06	Loss settlement expense on guaranteed loans	36,526	42,000	39,400
01.07	Undistributed charges	—158	157	
01.08	Other expense	38	182	253
01.91	Total operating expenses	1,039,581	1,148,995	1,234,689
10.00	Total obligations	2,593,068	2,369,119	1,408,600

Financing:

Offsetting collections from:

Non-Federal sources:

14.00	Repayment on loans held by the fund	—140,718	—156,700	—174,000
14.00	Loan repayments received on behalf of investors	—11,347	—10,083	—9,731
14.00	Repayments on advances	—206	—130	—124
14.00	Repayment on guaranteed loans purchased from investors	—19,964	—31,100	—33,100
14.00	Proceeds from sale of acquired property	—19	—15	—17
14.00	Guarantee fees	—2,882	—2,666	—2,275
14.00	Interest revenue	—410,720	—464,696	—490,519
14.00	Guaranteed loss recoveries	—817		
14.00	Other revenue	632	—2	—2
15.00	Off-budget Federal entities: Sale of certificates of beneficial ownership	—1,300,000	—1,183,814	—360,282
32.47	Balance of authority to borrow withdrawn		116,092	276,787
39.00	Budget authority	707,027	636,005	615,337
Budget authority:				
Current:				
40.00	Appropriation	477,829	560,005	612,098
Permanent:				
67.10	Authority to borrow (7 U.S.C. 1929 a(d)) (indefinite)	229,198	76,000	3,239
Relation of obligations to outlays:				
71.00	Obligations incurred, net	707,027	519,913	338,550
Obligated balance, start of year:				
72.47	Authority to borrow	1,801,983	1,692,541	1,500,746
72.98	Fund balance	44,505	10,218	12,656
Obligated balance, end of year:				
74.47	Authority to borrow	—1,692,541	—1,500,746	—1,104,552
74.98	Fund balance	—10,218	—12,656	
77.00	Adjustments in expired accounts	—97,640		
90.00	Outlays	753,116	709,270	747,400

Status of Direct Loans (in thousands of dollars)

Position with respect to limitation on obligations:				
1110	Limitation on obligations: Real estate loans	400,000	455,000	50,000
1130	Obligations exempt from limitation. Obligations incurred, gross:	992,076	650,541	11,584
1151	Direct loans to the public	412,075	510,541	61,584
1153	Repurchases of loan assets from the FFB	980,000	595,000	
1190	Unused balance of limitation, expiring	1		
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	105,105	104,886	99,937
New loans:				
1231	Disbursements for direct loans	445,241	682,993	495,285
1233	Purchases of existing loans from the public	12,076	55,541	11,584
1234	Purchases of existing loans from the FFB	980,000	595,000	
Recoveries:				
1251	Repayments and prepayments	—140,924	—156,830	—174,124
1253	Loan sales to the FFB	—1,300,000	—1,183,814	—360,282
1263	Adjustments: Other adjustments, net ¹	3,388	2,161	2,821
1290	Outstanding, end of year	104,886	99,937	75,221

Public enterprise funds—Continued

RURAL DEVELOPMENT INSURANCE FUND—Continued

Status of Direct Loans (in thousands of dollars)—Continued

Addendum: Federal Financing				
Bank transactions:				
Direct loans made by this account and sold with a guarantee to the FFB:				
1310	Outstanding, start of year	6,908,000	7,228,000	7,816,814
1330	Direct loans sold to the FFB	1,300,000	1,183,814	360,282
1350	Repayments	— 980,000	— 595,000	.....
1390	Outstanding, end of year	7,228,000	7,816,814	8,177,096

¹ Amounts shown are based on capitalized interest, advances on behalf of borrowers, and loans in kind-acquired real property

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to limitation on commitments:				
2111	Limitation on commitments: Loans by private lenders ¹	200,000	150,000	.....
2132	Commitments exempt from limitation: Loans by the FFB	1,300,000	1,183,814	360,282
New commitments made, gross:				
2151	Loans by private lenders	124,352	150,000	.....
2153	Loans sold to the FFB	1,300,000	1,183,814	360,282
2190	Unused balance of limitation, expiring	75,648	.....	.....
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	10,297,021	10,433,939	11,049,898
Loans guaranteed:				
2231	New loans guaranteed	81,498	346,505	92,823
2232	Guarantees of direct loans sold	1,300,000	1,183,814	360,282
2250	Repayments and prepayments	— 208,544	— 219,259	— 219,490
Adjustments:				
2261	Terminations for default	— 42,869	— 44,550	— 41,690
2263	Other adjustments, net ²	— 993,167	— 650,551	— 41,584
2290	Outstanding, end of year	10,433,939	11,049,898	11,200,239
MEMORANDUM				
2299	U.S. contingent liability for guaranteed loans outstanding, end of year	9,971,669	10,610,760	10,778,028

¹ The 1984 guaranteed loan limitation reflects a transfer of \$100 million from the rural development insurance fund to the agricultural credit insurance fund.

² Amounts shown are based on repurchases of CBO's, loans purchased from investors, and other.

Note.—Sales of certificates of beneficial ownership (CBO's) are reflected as reductions of loans outstanding and corresponding increases in guaranteed loans. This treatment results from the provisions of 7 U.S.C. 1932(d)(5). These transactions are not reflected in the direct or guaranteed loan limitation levels.

The Rural development insurance fund was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419), approved August 30, 1972, which also provided for transfer of the assets and liabilities of the Agricultural credit insurance fund applicable to loans for water systems and waste disposal facilities to this fund.

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas.

The objective of the water and waste disposal loan program is to provide assistance to enable eligible borrowers (communities and others) to attain basic human amenities, to alleviate health hazards, to promote the orderly growth of rural areas by meeting the need for financing new and improved rural water and waste disposal systems and to meet National Clean Water

Standards and the requirements of the Safe Drinking Water Act.

Water and waste disposal development loans may be made to organizations including certain Indian tribes, corporations not operated for profit, and public and quasi-public agencies for the development, storage, treatment, purification, or distribution of water and/or the collection, treatment, or disposal of waste in rural areas. Loans are made for facilities which primarily serve farmers, ranchers, farm tenants, farm laborers, and other rural residents in rural areas which shall not include any areas in any city or town having a population in excess of 10,000 inhabitants according to the latest decennial census of the United States. These loans are repayable in terms not to exceed the useful life of the facility or 40 years, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans made in areas where the median household income falls below the poverty level and the project is needed to meet health or sanitary standards bear interest not in excess of 5 percent. An intermediate rate, half way between the 5 percent and the market rate, applies when the median household income of the service area is not more than 85 percent of the nonmetropolitan median household income of the State. The 1986 budget proposes to transfer the functions of the water and waste disposal, community facility and guaranteed business and industry loan programs to the Department of Housing and Urban Development's Community Development block grant program. The 1986 budget proposal provides, for one year only, funding for the water and waste loan program. Funds would be limited to very low income communities experiencing health and safety problems. In subsequent years, communities will compete for funds for these purposes under programs provided by HUD.

The objective of the community facility loan program is to assist rural communities in developing or improving essential community facilities.

Community facility loans may be made to organizations including certain Indian tribes, corporations not operated for profit, and public and quasi-public agencies for the purposes of constructing, enlarging, extending, or otherwise improving community facilities which provide essential services to rural residents and contribute to the overall development of the community. Such facilities include those that provide fire and rescue services, health care, hydroelectric generation, and community, social, and cultural benefits. Loans are made for facilities which primarily serve farmers, ranchers, farm tenants, farm laborers, and other rural residents in rural areas which shall not include any area in any city or town having a population in excess of 20,000 inhabitants according to the latest decennial census of the United States. These loans are repayable in terms not to exceed the useful life of the facility or 40 years, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those made in areas where the median household income falls below the poverty level and the project is needed to meet health or sanitary standards bear interest not in excess of 5 percent. An

intermediate rate, half way between the 5 percent and the market rate, applies when the median household income of the service area is not more than 85 percent of the nonmetropolitan median family income of the state. An additional 2 percent is added to the interest rate for projects built on prime farmland when an optional site is available. No program is proposed for fiscal year 1986.

The objective of the guaranteed industrial development loan program is to facilitate the development or improvement of business and industry in rural areas, to stimulate economic growth, to create employment opportunities, and to improve the environmental climate. No program is proposed for fiscal year 1986.

The following table shows the number of loans and the program levels for 1984 actual and estimated for 1985 and 1986. The guaranteed program levels reflect the full principal amount of the loan of which part is guaranteed by the U.S. Government.

	(Dollars in millions)					
	1984 actual		1985 estimate		1986 estimate	
	No.	Amount	No.	Amount	No.	Amount
Rural development loans:						
Water and waste disposal systems	645	270,000	777	340,000	193	50,000
Community facilities	173	129,999	158	115,000		
Industrial development	75	124,352	91	150,000		
Total, Rural development insurance fund	893	524,351	1,026	605,000	193	50,000

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Revenue	428,860	465,498	491,417
Expense	—1,612,478	—1,624,005	—1,797,011
Net operating loss	—1,183,619	—1,158,507	—1,305,594
Nonoperating income or loss (—):			
Proceeds from sale of acquired property:			
Cash	19	15	17
Loans receivable	92	100	125
Total proceeds from sale	111	115	142
Net book value of assets sold	—406	—365	—417
Net operating loss	—295	—250	—275
Net loss for the year	—1,183,914	—1,158,757	—1,305,869

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Fund balance with Treasury	44,505	10,218	12,656	13,874
Accounts receivable (net)	231,874	256,271	299,513	342,712
Loans receivable (net)	104,842	104,665	60,221	60,143
Real property	223	701	886	964
Other assets:				
Deferred charges and unamortized discount on loans sold	39	30	22	14
Guaranteed loans purchased from holders	349,191	232,097	264,203	280,653

Total assets	730,674	603,982	637,501	698,360
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities	415,862	441,489	465,389	493,050
Advances received	58,024	55,948	56,039	54,170
Debt issued under borrowing authority:				
Borrowings from Treasury	1,275,000	1,516,000	1,686,000	1,871,000
Other liabilities: Provision for potential losses on loans sold or guaranteed	180,084	171,053	142,240	132,575
Total liabilities	1,928,970	2,184,490	2,349,668	2,550,795
Government equity:				
Selected equities:				
Undelivered orders	1,604,476	1,461,594	1,233,601	788,316
Unfinanced budget authority: Borrowing authority	—1,801,983	—1,692,541	—1,442,860	—978,950
Invested capital	—1,000,789	—1,349,561	—1,502,908	—1,661,801
Total Government equity	—1,198,296	—1,580,508	—1,712,167	—1,852,435

Analysis of changes in Government equity:

Paid-in capital:				
Opening balance		809,778	1,133,652	1,600,745
Transactions:				
Unfunded administrative expense	21,196		23,000	23,000
Unfunded accrued annual leave	77		77	73
Unfunded depreciation expense	58		58	55
Imputed interest	302,543		443,958	530,375
Closing balance		1,133,652	1,600,745	2,154,248
Retained income or loss (—):				
Opening balance	—2,008,075	—2,714,160	—3,312,912	
Transactions:				
Net operating loss	—1,183,619	—1,158,507	—1,305,594	
Net non-operating loss	—295	—250	—275	
Appropriation to finance deficit	477,829	560,005	612,098	
Closing balance	—2,714,160	—3,312,912	—4,006,683	
Total Government equity (end of year)	—1,580,508	—1,712,167	—1,852,435	

Note—This statement excludes unfunded contingent liabilities under insurance programs in principal amounts. 1983: \$9,805,799 thousand; 1984: \$9,971,669 thousand; 1985: \$10,610,760 thousand; 1986: \$10,778,028 thousand

Object Classification (in thousands of dollars)

Identification code	12-4155-0-3-452	1984 actual	1985 est.	1986 est.
25.0	Other services	36,527	42,315	40,065
33.0	Investments and loans	1,527,401	1,200,591	157,630
43.0	Interest and dividends	1,017,951	1,115,973	1,201,174
44.0	Refunds	11,347	10,083	9,731
92.0	Undistributed charges	—158	157	
99.9	Total obligations	2,593,068	2,369,119	1,408,600

ALLOTMENT AND ALLOCATIONS RECEIVED FROM OTHER AGENCIES

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture: Soil Conservation Service

"Watershed and Flood Prevention Operations."

"Resource Conservation and Development."

Funds Appropriated to the President "Appalachian Regional Development Programs."

Commerce:

Economic Development Administration: "Economic Development Assistance Program"

Regional Development Program: "Regional Development Programs."

Public enterprise funds—Continued

ALLOTMENT AND ALLOCATIONS RECEIVED FROM OTHER AGENCIES—
Continued

Energy: "Building and Community Systems."

Interior: Office of Surface Mining Reclamation and Enforcement: "Abandoned Mine Reclamation Fund."

SOIL CONSERVATION SERVICE

Federal Funds

General and special funds:

CONSERVATION OPERATIONS*

*See Part II for additional information.

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, **[\$356,364,000]** *\$354,179,000*; of which not less than **[\$3,913,000]** *\$2,637,000* is for snow survey and water forecasting and not less than **[\$3,999,000]** *\$3,925,000* is for operation of the plant materials centers: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$10,000, except for one building to be constructed at a cost not to exceed \$100,000 and eight buildings to be constructed or improved at a cost not to exceed \$50,000 per building and except that alterations or improvements to other existing permanent buildings costing \$5,000 or more may be made in any fiscal year in an amount not to exceed \$2,000 per building: *Provided further*, That when buildings or other structures are erected on non-Federal land that right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service. (7 U.S.C. 1010a, 1387, 1807, 2201-02, 2250; 16 U.S.C. 590q, 590q-1, 2001-09; 42 U.S.C. 3271-74; 26 Stat. 653; Reorg. Plan No. IV of 1940.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1000-0-1-302	1984 actual	1985 est	1986 est
Program by activities.				
Direct program:				
00.01	Technical assistance	274,572	282,790	284,913
00.02	Inventorizing and monitoring	14,289	14,764	9,774
00.03	Soil surveys	53,422	54,837	51,247
00.04	Snow survey water forecasting	3,885	3,974	2,637
00.05	Operation of plant materials centers	3,966	4,089	3,925
00.06	Resource appraisal and program development	4,309	4,372	1,683
00.07	Rural clean water	55	413	.....
00.91	Total direct program	354,499	365,239	354,179
01.01	Reimbursable program	37,307	39,000	19,496
10.00	Total obligations	391,806	404,239	373,675

Financing:

Offsetting collections from:				
11.00	Federal funds	— 24,308	— 24,984	— 5,365
14.00	Non-Federal sources	— 12,999	— 14,016	— 14,131
21.40	Unobligated balance available, start of year	— 541	— 510	.....
24.40	Unobligated balance available, end of year	510	.....	.....
25.00	Unobligated balance lapsing	618	.....	.....
39.00	Budget authority	355,085	364,729	354,179
Budget authority:				
40.00	Appropriation	355,085	356,364	354,179
46.20	Transfers in for civilian pay raises .....	.....	8,365	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	354,499	365,239	354,179
72.40	Obligated balance, start of year	34,470	35,393	36,309
74.40	Obligated balance, end of year	— 35,393	— 36,309	— 35,639
77.00	Adjustments in expired accounts	— 525	.....	.....
90.00	Outlays excluding pay raise supplemental	353,051	356,627	354,180
91.20	Outlays from civilian pay raise supplemental .....	.....	7,696	669

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)				
	1984 actual	1985 estimate	1986 estimate	
Enacted/requested:				
Budget authority	355,085	364,729	354,179	
Outlays	353,051	364,323	354,849	
Rescission proposal:				
Budget authority .....	.....	— 5,174	.....
Outlays .....	.....	— 4,864	— 310	
Total:				
Budget authority	355,085	359,555	354,179	
Outlays	353,051	359,459	354,539	

Technical assistance.—Technical assistance is provided through conservation districts to land users and decisionmakers, including individual landowners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

Combinations of needed soil and water conservation systems are planned in relation to each other to achieve well-balanced conservation programs. Since 1981, accelerated technical assistance has been provided to targeted geographic areas with severe erosion, water conservation and water quality problems. Under the reduced program proposed for fiscal year 1986, SCS will continue to emphasize work on critical resource problems caused by excessive soil erosion and inefficient use of limited water supplies. The fiscal year 1986 budget proposes to limit the Department of Agriculture's soil and water conservation assistance to the activities specified under this appropriation account which would continue beyond fiscal year 1986.

MAIN WORKLOAD FACTORS

	1984 actual	1985 estimate	1986 estimate
Conservation districts (number)	2,936	2,936	2,936
Conservation plans and revisions (acres)	33,310,705	34,000,000	8,500,000
Decisionmakers receiving technical services	946,101	930,000	232,500
Acres improved through conservation technical assistance	42,860,958	50,000,000	12,500,000

Inventorizing and monitoring.—Inventorizing and monitoring provides soil, water, and related resource

data. All activities under this program will be terminated by the end of fiscal year 1986.

Soil surveys.—Soil surveys and investigations are made of the Nation's soil resources, with interpretations and publications that provide physical land facts needed for program development, resource conservation planning, installation of planned practices, and for use by other Federal, State, and local agencies in making land-use decisions. This program is being continued in the fiscal year 1986 budget.

MAIN WORKLOAD FACTORS

	1984 actual	1985 estimate	1986 estimate
Acres mapped annually	42,813,000	40,000,000	10,000,000
Soil surveys ready for publication (number)	61	80	20

Snow survey water forecasting.—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, and water quality management. All activities under this program will be terminated by the end of fiscal year 1986.

Operation of plant materials centers.—The selection and evaluation of plant materials are made at 20 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other environmental improvements. This program is being continued in the fiscal year 1986 budget.

Resource appraisal and program development.—The Soil and Water Resources Conservation Act of 1977 provides for a report to the public and Congress at 5-year intervals beginning January 1980. A report was developed and submitted in December 1982. All activities under this program will be terminated by the end of fiscal year 1986.

Object Classification (in thousands of dollars)

Identification code	12-1000-0-1-302	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	235,541	243,994	185,601
11.3	Other than full-time permanent	7,184	7,425	3,475
11.5	Other personnel compensation	1,065	1,103	752
11.8	Special personal services payments	18	21	9
11.9	Total personnel compensation	243,808	252,543	189,837
12.1	Personnel benefits: Civilian	35,578	36,853	27,798
13.0	Benefits for former personnel	388	399	61,378
21.0	Travel and transportation of persons	8,760	9,228	8,390
22.0	Transportation of things	3,009	3,170	4,342
23.2	Communications, utilities, and other rent	20,851	21,989	21,468
24.0	Printing and reproduction	2,782	2,920	4,436
25.0	Other services	16,515	18,080	17,222
26.0	Supplies and materials	9,936	10,468	9,787
31.0	Equipment	12,790	9,497	9,438
32.0	Lands and structures	28	37	30
42.0	Insurance claims and indemnities	55	55	53
99.0	Subtotal, direct obligations	354,499	365,239	354,179
99.0	Reimbursable obligations	37,307	39,000	19,496
99.9	Total obligations	391,806	404,239	373,675

Personnel Summary

Direct program:			
Total number of full-time permanent positions	9,436	9,447	5,504

Total compensable workyears:			
Full-time equivalent employment	9,853	9,956	7,012
Full-time equivalent of overtime and holiday hours	60	60	40
Reimbursable program:			
Total number of full-time permanent positions	749	738	275
Total compensable workyears: Full-time equivalent employment	770	759	282

RIVER BASIN SURVEYS AND INVESTIGATIONS*

*See Part II for additional information.

For necessary expenses to conduct research, investigations and surveys of the watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), [\$14,654,000] \$11,574,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$60,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-02; 16 U.S.C. 1001-05; 1007-09; 33 U.S.C. 701b-11.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1069-0-1-301	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	River basin surveys	10,647	9,768	7,704
00.02	Flood plain management assistance	2,964	2,919	2,302
00.03	Interagency coordination and program formulation	1,760	1,988	1,568
00.91	Total direct program	15,371	14,675	11,574
01.01	Reimbursable program	756	1,500	.....
10.00	Total obligations	16,127	16,175	11,574
Financing:				
Offsetting collections from:				
11.00	Federal funds	— 516	— 1,025	.....
14.00	Non-Federal sources	— 240	— 475	.....
21.40	Unobligated balance available, start of year	— 21	— 21	.....
24.40	Unobligated balance available, end of year	21	.....	.....
25.00	Unobligated balance, lapsing	248	.....	.....
40.00	Budget authority (appropriation) ..	15,619	14,654	11,574
Relation of obligations to outlays:				
71.00	Obligations incurred, net	15,371	14,675	11,574
72.40	Obligated balance, start of year	2,009	1,832	1,601
74.40	Obligated balance, end of year	— 1,832	— 1,601	— 694
77.00	Adjustments in expired accounts	— 104	.....	.....
90.00	Outlays	15,444	14,906	12,481

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)			
	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	15,619	14,654	11,574
Outlays	15,444	14,906	12,481
Rescission proposal:			
Budget authority .....	.....	— 235	.....
Outlays .....	.....	— 221	— 14
Total:			
Budget authority	15,619	14,419	11,574
Outlays	15,444	14,685	12,467

The Department cooperates with other Federal, State, and local agencies in making surveys and investigations

General and special funds—Continued

RIVER BASIN SURVEYS AND INVESTIGATIONS—Continued

of watersheds of rivers and other waterways as the basis for the development of coordinated water and related land resources programs. The fiscal year 1986 budget proposes to terminate all activities under this program by the end of fiscal year 1986.

MAIN WORKLOAD FACTORS

Status of river basin surveys	1984 actual	1985 estimate	1986 estimate
USDA cooperative studies:			
Surveys in progress, start of year.....	52	52	55
Surveys initiated during year.....	9	18	
Surveys worked during year.....	61	70	55
Surveys completed during year.....	9	16	
Surveys in progress, end of year.....	52	55	
Cumulative total surveys initiated.....	170	188	188
Cumulative total surveys completed.....	122	137	137
Flood plain management assistance program:			
States involved.....	35	35	35
Completed studies.....	43	35	35
Ongoing studies, end of year.....	86	79	
Cumulative total completed.....	311	346	346

Object Classification (in thousands of dollars)

Identification code	1984 actual	1985 est	1986 est
SOIL CONSERVATION SERVICE			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	8,655	8,618	5,066
11.3 Other than full-time permanent.....	309	308	35
11.5 Other personnel compensation.....	45	45	15
11.9 Total personnel compensation.....	9,009	8,971	5,116
12.1 Personnel benefits: Civilian.....	1,255	1,250	570
13.0 Benefits for former personnel.....	13	13	3,924
21.0 Travel and transportation of persons.....	404	409	271
22.0 Transportation of things.....	81	82	54
23.2 Communications, utilities, and other rent.....	506	513	340
24.0 Printing and reproduction.....	133	135	90
25.0 Other services.....	1,006	1,019	743
26.0 Supplies and materials.....	179	181	181
31.0 Equipment.....	616	624	285
42.0 Insurance claims and indemnities.....	2		
99.0 Subtotal, direct obligations.....	13,204	13,197	11,574
99.0 Reimbursable obligations.....	756	1,500	
ALLOCATION ACCOUNTS			
Personnel compensation:			
11.1 Full-time permanent.....	1,399	988	
11.3 Other than full-time permanent.....	13	12	
11.5 Other personnel compensation.....	1	1	
11.9 Total personnel compensation.....	1,413	1,001	
12.1 Personnel benefits: Civilian.....	239	191	
13.0 Benefits for former personnel.....	5	5	
21.0 Travel and transportation of persons.....	143	102	
22.0 Transportation of things.....	21	14	
23.1 Standard level user charges.....	30	39	
23.2 Communications, utilities, and other rent.....	50	19	
24.0 Printing and reproduction.....	10	4	
25.0 Other services.....	243	91	
26.0 Supplies and materials.....	8	7	
31.0 Equipment.....	5	5	
99.0 Subtotal, allocation accounts.....	2,167	1,478	
99.9 Total obligations.....	16,127	16,175	11,574
Obligations are distributed as follows:			
Soil Conservation Service.....	13,960	14,697	11,574

Forest Service.....	1,234	1,117	
Economic Research Service.....	933	361	

Personnel Summary

SOIL CONSERVATION SERVICE			
Direct program:			
Total number of full-time permanent positions.....	285	276	
Total compensable workyears:			
Full-time equivalent employment.....	301	294	137
Fulltime equivalent of overtime and holiday hours.....	2	2	
Reimbursable program:			
Total number of full-time permanent positions.....	9	18	
Total compensable workyears: Full-time equivalent employment.....	10	19	
ALLOCATION ACCOUNTS			
Total number of full-time permanent positions.....	41	31	
Total compensable workyears: Full-time equivalent employment.....	41	31	

WATERSHED PLANNING*

*See Part II for additional information

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), **[\$8,750,000]** \$6,895,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-02; 33 U.S.C. 701b-11.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	1984 actual	1985 est.	1986 est.
Program by activities:			
00.01 Direct program: Small watershed planning authorized by Public Law 566.....	8,548	8,750	6,895
01.01 Reimbursable program: Small watershed planning authorized by Public Law 566..	605	750	
10.00 Total obligations.....	9,153	9,500	6,895
Financing:			
14.00 Offsetting collections from: Non-Federal sources.....	—605	—750	
25.00 Unobligated balance, lapsing.....	127		
40.00 Budget authority (appropriation) ..	8,675	8,750	6,895
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	8,548	8,750	6,895
72.40 Obligated balance, start of year.....	905	1,173	1,173
74.40 Obligated balance, end of year.....	—1,173	—1,173	—1,070
77.00 Adjustments in expired accounts.....	—30		
90.00 Outlays.....	8,250	8,750	6,998

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)			
	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	8,675	8,750	6,895
Outlays.....	8,250	8,750	6,998
Rescission proposal:			
Budget authority.....		—133	

Outlays.....	—125	—8	
Total:			
Budget authority	8,675	8,617	6,895
Outlays	8,250	8,625	6,990

The Department cooperates with other agencies and the States in planning works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water.

MAIN WORKLOAD FACTORS

Activity	1984 actual	1985 estimate	1986 estimate
Applications for planning assistance:			
On hand, cumulative, start of year.....	2,277	2,290	2,305
Net change during year.....	13	15	
On hand, cumulative, end of year.....	2,290	2,305	2,305
Consisting of:			
Authorized for planning.....	1,929	1,964	1,964
Available for planning.....	361	341	341
Status of planning:			
Authorized, cumulative, start of year.....	1,896	1,930	1,930
Suspended or terminated, cumulative, start of year.....	465	473	473
Completed, cumulative, start of year.....	1,299	1,318	1,318
Planning in process, start of year.....	132	139	139
New authorizations during year.....	34	35	
Terminated during year.....	8	7	
Completions during year.....	19	30	
Planning in process, end of year.....	139	137	139

The Department makes surveys of proposed small watershed projects, and work plans are prepared in cooperation with local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, cost sharing, and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development. All activities of this program will be terminated by the end of fiscal year 1986.

Object Classification (in thousands of dollars)

Identification code	12-1066-0-1-301	1984 actual	1985 est.	1986 est.
SOIL CONSERVATION SERVICE				
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent.....	5,502	6,546	2,352	
11.3 Other than full-time permanent.....	145	201	45	
11.5 Other personnel compensation.....	25	23	8	
11.9 Total personnel compensation.....	5,672	6,770	2,405	
12.1 Personnel benefits: Civilian.....	773	868	245	
13.0 Benefits to former employees.....	7	4	2,348	
21.0 Travel and transportation of persons.....	407	199	229	
22.0 Transportation of things.....	40	38	40	
23.2 Communications, utilities, and other rent.....	403	182	224	
24.0 Printing and reproduction.....	67	18	67	
25.0 Other services.....	446	242	1,148	
26.0 Supplies and materials.....	137	67	76	
31.0 Equipment.....	354	122	113	
99.0 Subtotal, direct obligations.....	8,306	8,510	6,895	
99.0 Reimbursable obligations.....	605	750		

ALLOCATION TO FOREST SERVICE

Personnel compensation:			
11.1 Full-time permanent.....	137	171	
11.3 Other than full-time permanent.....	2	3	
11.9 Total personnel compensation.....	139	174	
12.1 Personnel benefits: Civilian.....	22	10	
13.0 Benefit for former personnel.....		1	
21.0 Travel and transportation of persons.....	20	17	
22.0 Transportation of things.....		6	
23.1 Standard level user charges.....	8	8	
23.2 Communications, utilities, and other rent.....	4	4	
25.0 Other services.....	21	9	
26.0 Supplies and materials.....	1	1	
31.0 Equipment.....	1	1	
41.0 Grants, subsidies, and contributions.....	26	7	
99.0 Subtotal, allocation accounts.....	242	240	
99.9 Total obligations.....	9,153	9,500	6,895

Personnel Summary

SOIL CONSERVATION SERVICE

Direct:			
Total number of full-time permanent positions.....	179	179	
Total compensable workyears: Full-time equivalent employment.....	187	187	70
Reimbursable:			
Total number of full-time permanent positions.....	15	15	
Total compensable workyears:			
Full-time equivalent employment.....	15	15	
Full-time equivalent of overtime and holiday hours.....	1	1	

ALLOCATION TO FOREST SERVICE

Total number of full-time permanent positions.....	4	4	
Total compensable workyears: Full-time equivalent employment.....	4	4	

WATERSHED AND FLOOD PREVENTION OPERATIONS*

*See Part II for additional information.

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, **[\$182,300,000]** **\$62,631,000** (of which **[\$27,300,000]** **\$11,714,000** shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed **[\$5,000,000]** **\$1,179,000** shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That \$14,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (86 Stat. 663): *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction. (7 U.S.C. 2201-02; 33 U.S.C. 701b-1, 701b-11.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development and Related Agencies, 1985.

General and special funds—Continued

WATERSHED AND FLOOD PREVENTION OPERATIONS—Continued

Program and Financing (in thousands of dollars)

Identification code	12-1072-0-1-301	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Watershed operations authorized by Public Law 534.....	32,505	35,327	11,714
00.02	Loan services (Public Law 534).....	219	193	
00.03	Emergency watershed protection operations.....	19,268	20,938	1,179
00.04	Small watershed operations authorized by Public Law 566.....	186,726	158,027	49,738
00.05	Loan services (Public Law 566).....	446	397	
00.91	Total direct program.....	239,164	214,882	62,631
01.01	Reimbursable program.....	5,864	10,000	
10.00	Total obligations.....	245,028	224,882	62,631
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—243	—414	
14.00	Non-Federal sources.....	—5,621	—9,586	
21.40	Unobligated balance available, start of year.....	—84,911	—40,947	
24.40	Unobligated balance available, end of year.....	40,947		
39.00	Budget authority.....	195,200	173,935	62,631
Budget authority:				
40.00	Appropriation.....	195,200	182,300	62,631
45.00	Transfers out for pay raises.....		—8,365	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	239,164	214,882	62,631
72.40	Obligated balance, start of year.....	194,481	215,401	152,473
74.40	Obligated balance, end of year.....	—215,401	—152,473	—37,735
90.00	Outlays.....	218,244	277,810	177,369

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousand of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	195,200	173,935	62,631
Outlays.....	218,244	277,810	177,369
Recession proposal:			
Budget authority.....		—918	
Outlays.....		—863	—55
Total:			
Budget authority.....	195,200	173,017	62,631
Outlays.....	218,244	276,947	177,314

This program provides for cooperation between the Federal Government and States and their political subdivisions in installing works of improvement: to reduce damage from floodwater, sediment, and erosion; for the conservation, development, utilization, and disposal of water; and for the conservation and proper utilization of land. The fiscal year 1986 budget proposes to terminate all activities under these programs by the end of fiscal year 1986.

Watershed operations authorized by Public Law 534.—The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement for flood prevention in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of works of improvement for flood prevention, agricultural water management, recreation, and fish and wildlife development.

Within the 11 authorized projects, 406 subwatershed areas have been identified for planning purposes. Installation progress in these subwatersheds is as follows:

MAIN WORKLOAD FACTORS

Subwatershed status	1984 actual	1985 estimate	1986 estimate
Projects in preconstruction, end of year.....	20	18	19
Projects in construction, start of year.....	83	88	85
Projects completed construction during year.....		—3	—6
Projects in preconstruction and construction, end of year.....	103	103	98
Projects continuing land treatment, end of year.....	65	68	74
Projects completed, end of year.....	160	160	160
Projects not started, end of year.....	78	75	74
Total subwatershed projects.....	406	406	406

Emergency watershed protection operations.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or force causes a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, or other natural cause and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work.

Small watershed operations authorized by Public Law 566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), technical services and financial assistance are provided for specific works of improvements.

The following tabulation shows the status of Public Law 566 projects:

MAIN WORKLOAD FACTORS

Status of projects approved for operations	1984 actual	1985 estimate	1986 estimate
Projects in preconstruction.....	106	111	131
Projects under construction, start of year.....	418	427	427
New construction starts.....	20	20	
Projects completed during year.....	11	20	
Projects Land Treatment continuing.....	29	29	29
Subtotal projects requiring funds.....	573	587	587
Projects not requiring funds.....	147	147	147
Projects completed in prior years.....	609	629	629
Total approved projects.....	1,318	1,343	1,363

Loan services.—Loans are made to local sponsoring organizations to finance the local cost of installing

works of improvement in Public Law 534 and approved Public Law 566 watershed projects. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Loans are made from funds available for this purpose from the Agricultural credit insurance fund of the Farmers Home Administration. Loan services related to processing and making loans are financed from this appropriation.

Object Classification (in thousands of dollars)

Identification code	12-1072-0-1-301	1984 actual	1985 est.	1986 est.
SOIL CONSERVATION SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	50,484	49,473	24,364
11.3	Other than full-time permanent	2,371	2,289	769
11.5	Other personnel compensation	1,877	1,702	527
11.9	Total personnel compensation	54,732	53,464	25,660
12.1	Personnel benefits: Civilian	7,489	6,684	713
13.0	Benefits for former personnel	84	88	21,876
21.0	Travel and transportation of persons	2,356	2,443	2,220
22.0	Transportation of things	464	481	481
23.2	Communications, utilities, and other rent	3,533	3,664	3,622
24.0	Printing and reproduction	353	366	366
25.0	Other services	11,966	10,726	4,442
26.0	Construction contracts	86,615	70,691	.....
26.0	Supplies and materials	2,657	3,720	1,835
31.0	Equipment	4,494	6,292	1,335
33.0	Investments and loans	16	.....	.....
41.0	Grants, subsidies, and contributions	58,239	50,529	.....
42.0	Insurance claims and indemnities	61	60	81
99.0	Subtotal, direct obligations	233,059	209,208	62,631
99.0	Reimbursable obligations	5,861	10,000	.....
ALLOCATION ACCOUNTS				
Personnel compensation:				
11.1	Full-time permanent	2,244	2,091	.....
11.3	Other than full-time permanent	623	582	.....
11.5	Other personnel compensation	106	99	.....
11.8	Special personal services payments	16	15	.....
11.9	Total personnel compensation	2,989	2,787	.....
12.1	Personnel benefits: Civilian	365	338	.....
13.0	Benefits for former personnel	41	38	.....
21.0	Travel and transportation of persons	136	135	.....
22.0	Transportation of things	53	50	.....
23.1	Standard level user charges	49	45	.....
23.2	Communications, utilities, and other rent	320	299	.....
24.0	Printing and reproduction	7	6	.....
25.0	Other services	934	846	.....
26.0	Supplies and materials	211	197	.....
31.0	Equipment	60	55	.....
32.0	Lands and structures	287	268	.....
41.0	Grants, subsidies, and contributions	647	605	.....
42.0	Insurance claims and indemnities	2	1	.....
44.0	Refunds	4	4	.....
99.0	Subtotal, allocation accounts	6,105	5,674	.....
99.0	Reimbursable obligations	3	.....	.....
99.9	Total obligations	245,028	224,882	62,631
Obligations are distributed as follows:				
	Soil Conservation Service	238,920	225,904	62,631
	Farmers Home Administration	665	590	.....
	Forest Service	5,443	5,084	.....

Personnel Summary

SOIL CONSERVATION SERVICE			
Direct program:			
Total number of full-time permanent positions	1,952	1,952	.....
Total compensable workyears:			
Full-time equivalent employment	2,122	2,213	756
Full-time equivalent of overtime and holiday hours	12	12	.....
Reimbursable program:			
Total number of full-time permanent positions	4	4	.....
Total compensable workyears: Full-time equivalent employment			
	4	4	.....
ALLOCATION ACCOUNTS			
Total number of full-time permanent positions	97	97	.....
Total compensable workyears:			
Full-time equivalent employment	159	91	.....
Full-time equivalent of overtime and holiday hours .....	.....	.....	.....

GREAT PLAINS CONSERVATION PROGRAM*

*See Part II for additional information.

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), **[\$21,315,000]** \$7,402,000, to remain available until expended. (7 U.S.C. 2201-02.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2268-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Cost-sharing assistance	12,335	11,993	373
00.02	Cost-sharing programing and contract administration	2,864	2,993	2,249
00.03	Technical assistance	6,086	6,359	4,780
00.91	Total direct program	21,285	21,345	7,402
01.01	Reimbursable program	43	60	.....
10.00	Total obligations	21,328	21,405	7,402
Financing:				
Offsetting collections from:				
11.00	Federal sources	—19	—26	.....
14.00	Non-Federal sources	—24	—34	.....
21.40	Unobligated balance available, start of year	—1	—30	.....
24.40	Unobligated balance available, end of year	30	.....	.....
40.00	Budget authority (appropriation) ..	21,315	21,315	7,402
Relation of obligations to outlays:				
71.00	Obligations incurred, net	21,285	21,345	7,402
72.40	Obligated balance, start of year	32,676	32,944	32,808
74.40	Obligated balance, end of year	—32,944	—32,808	—21,798
90.00	Outlays	21,017	21,481	18,412

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget Authority	21,315	21,315	7,402
Outlays	21,017	21,481	18,412
Rescission proposal:			
Budget Authority .....	.....	—126	.....
Outlays .....	.....	—118	—8

General and special funds—Continued

GREAT PLAINS CONSERVATION PROGRAM—Continued

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS—Continued

	[In thousands of dollars]		
	1984 actual	1985 estimate	1986 estimate
Total:			
Budget Authority	21,315	21,189	7,402
Outlays	21,017	21,363	18,404

This program provides cost-share and technical services to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 519 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

Conservation plans made for each farm or ranch serve as a basis for cost sharing on approved practices. The fundamental purposes of this program are to achieve needed land use adjustments, conservation treatments, and economic stability of each unit. The planned work is installed under contract according to specific time schedules.

MAIN WORKLOAD FACTORS

Program participants:	1984 actual	1985 estimate	1986 estimate
Number of new contracts during year	791	725	.....
Number of contracts serviced during year	7,154	6,720	2,240
Number of acres under contracts	15,480,885	14,352,000	13,442,000

As of September 30, 1984, there were 5,995 active contracts on hand. Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract shall not exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35 thousand for any contract. The fiscal year 1986 budget proposed to terminate all activities under this program by the end of fiscal year 1986.

Object Classification (in thousands of dollars)

Identification code	12-2268-0-1-302	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent		6,306	6,571	2,891
11.3 Other than full-time permanent		123	126	72
11.5 Other personnel compensation		20	20	6
11.9 Total personnel compensation		6,449	6,717	2,969
12.1 Personnel benefits: Civilian		904	941	315
13.0 Benefits for former personnel		8	9	2,833
21.0 Travel and transportation of persons		200	212	124
22.0 Transportation of things		55	58	34
23.2 Communications, utilities, and other rent		542	575	338
24.0 Printing and reproduction		24	26	16
25.0 Other services		223	236	139
26.0 Supplies and materials		256	272	159
31.0 Equipment		288	305	102
41.0 Grants, subsidies, and contributions		12,335	11,993	373
42.0 Insurance claims and indemnities		1	1	.....
99.0 Subtotal, direct obligations		21,285	21,345	7,402

99.0 Reimbursable obligations	43	60	.....
99.9 Total obligations	21,328	21,405	7,402

Personnel Summary

Total number of full-time permanent positions	262	262	.....
Total compensable workyears:			
Full-time equivalent employment	272	272	90
Full-time equivalent of overtime and holiday hours	2	2	.....

RESOURCE CONSERVATION AND DEVELOPMENT*

*See Part II for additional information.

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), **[\$26,000,000] \$10,000,000: Provided,** **[That \$2,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (86 Stat. 663): Provided further,]** That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-02; 16 U.S.C. 3453-3461; 33 U.S.C. 701b-11.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1010-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01 Technical assistance		16,326	17,194	10,000
00.02 Financial assistance		9,446	10,226	.....
00.03 Loan services		166	141	.....
00.91 Total direct program		25,938	27,561	10,000
01.01 Reimbursable program		1,808	2,500	.....
10.00 Total obligations		27,746	30,061	10,000
Financing:				
Offsetting collections from:				
11.00 Federal funds		—8	—11	.....
14.00 Non-Federal sources		—1,800	—2,489	.....
21.40 Unobligated balance available, start of year		—1,499	—1,561	.....
24.40 Unobligated balance available, end of year		1,561	.....	.....
40.00 Budget authority (appropriation) ..		26,000	26,000	10,000
Relation of obligations to outlays:				
71.00 Obligations incurred, net		25,938	27,561	10,000
72.40 Obligated balance, start of year		16,521	12,936	12,140
74.40 Obligated balance, end of year		—12,936	—12,140	—600
90.00 Outlays		29,523	28,357	21,540

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

	[In thousands of dollars]		
	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	26,000	26,000	10,000
Outlays	29,523	28,357	21,540
Rescission proposal:			
Budget authority .....	.....	—164	.....
Outlays .....	.....	—154	—10
Total:			
Budget authority	26,000	25,836	10,000
Outlays	29,523	28,203	21,530

This program provides for the Department to assist States, local units of government, groups and individuals in developing area plans for resource conservation and development (RC&D).

RC&D areas are provided technical and financial assistance to help States and local units of government prepare plans for resource development and economic improvement and to plan and install community-type conservation projects or measures. Financial contributions, loans, and other Federal assistance are used to help carry out measures specified in RC&D area plans. Loans were made to qualified local organizations to help finance their share of the costs of installing the measures.

The RC&D program would be terminated by the end of 1986.

The following tabulation shows the status of RC&D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	1984 actual	1985 estimate	1986 estimate
Areas authorized at beginning of year	194	194	194
Areas authorized at end of year	194	194	.....
RC&D financial assisted measures completed	172	165	.....
RC&D financial assisted measures planned	340	300	.....
RC&D measures completed with other than financial assistance	1,328	1,150	.....

Object Classification (in thousands of dollars)

Identification code	12-1010-0-1-302	1984 actual	1985 est.	1986 est.
SOIL CONSERVATION SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	10,424	10,699	3,672
11.3	Other than full-time permanent	739	758	90
11.5	Other personnel compensation	133	136	14
11.9	Total personnel compensation	11,296	11,593	3,776
12.1	Personnel benefits: Civilian	1,560	1,601	364
13.0	Benefits for former personnel	31	32	4,393
21.0	Travel and transportation of persons	442	461	180
22.0	Transportation of things	84	88	34
23.2	Communications, utilities, and other rent	937	976	381
24.0	Printing and reproduction	89	93	36
25.0	Other services	1,054	1,059	505
25.0	Construction contracts	3,446	3,969	.....
26.0	Supplies and materials	500	521	203
31.0	Equipment	539	562	128
41.0	Grants, subsidies, and contributions	4,997	5,663	.....
42.0	Insurance claims and indemnities	1	.....	.....
99.0	Subtotal, direct obligations	24,976	26,618	10,000
99.0	Reimbursable obligations	1,808	2,500	.....
ALLOCATION ACCOUNTS				
Personnel compensation:				
11.1	Full-time permanent	212	201	.....
11.3	Other than full-time permanent	1	1	.....
11.9	Total personnel compensation	213	202	.....
12.1	Personnel benefits: Civilian	25	23	.....
21.0	Travel and transportation of persons	24	24	.....
22.0	Transportation of things	1	.....	.....
23.1	Standard level user charges	6	6	.....
23.2	Communications, utilities, and other rent	18	16	.....
24.0	Printing and reproduction	1	1	.....
25.0	Other services	20	7	.....

26.0	Supplies and materials	3	3	.....
31.0	Equipment	2	2	.....
41.0	Grants, subsidies, and contributions	648	658	.....
44.0	Refunds	1	1	.....
99.0	Subtotal, allocation accounts	962	943	.....
99.9	Total obligations	27,746	30,061	10,000

Obligations are distributed as follows:

Soil Conservation Service	26,784	29,118	10,000
Farmers Home Administration	166	141	.....
Forest Service	796	802	.....

Personnel Summary**SOIL CONSERVATION SERVICE**

Direct program:			
Total number of full-time permanent positions	360	360	0
Total compensable workyears:			
Full-time equivalent employment	414	416	100
Full-time equivalent of overtime and holiday hours	2	2	.....

Reimbursable program:

Total number of full-time permanent positions	1	1	0
Total compensable workyears: Full-time equivalent employment			
.....	1	1	0

ALLOCATION ACCOUNTS

Total number of full-time permanent positions	9	8	0
Total compensable workyears: Full-time equivalent employment	9	8	0

Trust Funds**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code	12-8210-0-7-300	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations	1,581	9,457	560
Financing:				
21.40	Unobligated balance available, start of year	-9,781	-8,759	-2
24.40	Unobligated balance available, end of year	8,759	2	2
60.00	Budget authority (appropriation) (permanent, indefinite)	559	700	560
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,581	9,457	560
72.40	Obligated balance, start of year	885	1,095	6,628
74.40	Obligated balance, end of year	-1,095	-6,628	-5,477
90.00	Outlays	1,371	3,924	1,711

Miscellaneous contributed funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities. All activities of this program involving watershed protection and resource conservation and development will be terminated by the end of 1986.

Object Classification (in thousands of dollars)

Identification code	12-8210-0-7-300	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	392	415	217
11.3	Other than full-time permanent	42	40	8
11.5	Other compensation	6	5	2

General and special funds—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-8210-0-7-300	1984 actual	1985 est.	1986 est.
11.9	Total personnel compensation.....	440	460	227
12.1	Personnel benefits: Civilian.....	55	60	18
13.0	Benefits for former personnel.....			193
21.0	Travel and transportation of persons.....	8	8	3
23.2	Communications, utilities, and other rent....	32	35	10
24.0	Printing and reproduction.....	13	99	4
25.0	Other services.....	222	2,000	15
25.0	Construction contracts.....	688	6,500	85
26.0	Supplies and materials.....	7	40	2
31.0	Equipment.....	9	10	3
41.0	Grants, subsidies and contributions.....	100	235	
44.0	Refunds.....	5	10	
99.9	Total obligations.....	1,581	9,457	560

Personnel Summary

Total number of full-time permanent positions.....	18	18	
Total compensable workyears: Full-time equivalent employment.....	22	20	6

ALLOTMENT AND ALLOCATIONS RECEIVED FROM OTHER AGENCIES

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture: Soil Conservation Service:
"Watershed and flood prevention operations."
"Resource conservation and development."
Funds Appropriated to the President: "Appalachian regional development programs."
Commerce:
Economic Development Administration: "Development facilities."
Regional Action Planning Commission: "Regional development programs."
Energy: "Building and community systems."
Environmental Protection Agency: "Abatement and control fund."
U.S. Treasury: "Energy security reserve."
Agriculture: Agricultural Stabilization and Conservation Service, "Water bank act program."
Appalachian Regional Commission, "Appalachian regional development programs."
Federal Emergency Management Administration, "Disaster relief."
Commerce: "Regional development programs."
Interior: Office of Surface Mining Reclamation and Enforcement, "Rural Abandoned Mine Program."

ANIMAL AND PLANT HEALTH INSPECTION
SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES*

(INCLUDING TRANSFERS OF FUNDS)

*See Part II for additional information.

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c) necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law [\$277,041,000] \$242,004,000; of which [\$1,000,000] \$3,000,000 shall be available for the control of outbreaks of insects, plant diseases and animal diseases to the extent necessary to meet emergency conditions: *Provided*, That \$1,000,000 of the funds for control of the fire ant shall be placed in reserve for matching purposes with States which may come into the program: *Provided further*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the

purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants, and for expenses in accordance with the Act of September 21, 1944, as amended, and any unexpected balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts. (10 U.S.C. 2306; 15 U.S.C. 69e, 1821-31; 16 U.S.C. 1531-43; 18 U.S.C. 1114; 19 U.S.C. 1306; 21 U.S.C. 101-105, 111-114, 114a-114c; 114d-1, 114e-131, 134-135b, 151-158; 26 U.S.C. 4491-94; 45 U.S.C. 71-74; 46 U.S.C. 466a-466b; 49 U.S.C. 1471(a)-1509(d), 1741; 46 Stat. 67; 78 Stat. 939-940.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1600-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Plant disease and pest control.....	93,521	95,695	83,779
00.02	Animal disease and pest control.....	176,499	180,346	155,225
00.03	Construction of facilities.....	—2	4	
00.04	Contingencies.....		1,000	3,000
00.91	Total direct program.....	270,018	277,045	242,004
01.01	Reimbursable program.....	75,883	19,258	14,830
10.00	Total obligations.....	345,902	296,303	256,834
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—69,322	—8,515	—6,546
14.00	Non-Federal sources.....	—8,584	—8,720	—8,284
21.40	Unobligated balance available, start of year.....	—3	—2,027	
24.40	Unobligated balance available, end of year..	2,027		
25.00	Unobligated balance lapsing.....	1,382		
39.00	Budget authority.....	271,402	277,041	242,004
Budget authority:				
40.00	Appropriation.....	267,082	277,041	242,004
42.00	Transferred from other accounts.....	4,320		
43.00	Appropriation (adjusted).....	271,402	277,041	242,004
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	267,995	279,068	242,004
72.40	Obligated balance, start of year.....	63,316	37,608	39,885
74.40	Obligated balance, end of year.....	—37,608	—39,885	—39,885
77.00	Adjustments in expired accounts.....	—2,994		
90.00	Outlays.....	290,709	276,791	242,004

SUMMARY OF BUDGET AUTHORITY

[In thousands of dollars]				
	1984 actual	1985 estimate	1986 estimate	
Enacted/requested:				
Budget authority.....	271,402	277,041	242,004	
Outlays.....	290,709	276,791	242,004	
Proposed for later transmittal under proposed legislation:				
Budget authority.....			—12,298	
Outlays.....			—12,298	
Rescission proposal:				
Budget authority.....		—1,464		
Outlays.....		—1,464		
Total:				
Budget authority.....	271,402	275,577	229,706	
Outlays.....	290,709	275,327	229,706	

The major objectives of the Service are to protect the animal and plant resources of the Nation from destructive pests and diseases.

Plant disease and pest control.—Through inspections at ports of entry, insects, plant diseases, nematodes, and animal pests and diseases harmful to agriculture are prevented from entering this country. Cooperative programs with the States are conducted to prevent the spread of and/or to eradicate certain plant pests already established in this country. The 1986 estimates propose increases for agricultural quarantine inspection, Medfly, and decreases for boll weevil, golden nematode, grasshopper, gypsy moth, imported fire ant, noxious weeds, pink bollworm, and witchweed programs. Legislation will be proposed to recover \$1.8 million in fees for certifying the health of plant exports.

Animal disease and pest control.—Programs are conducted to keep communicable diseases of foreign origin from entering this country and to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics. In cooperation with States, other programs are directed at the control and eradication of livestock diseases present in this country. Foreign animal diseases, should they enter this country, are rapidly diagnosed and outbreaks which are of economic significance and for which the Secretary of Agriculture declares a national emergency are controlled and eradicated. The animal care programs regulate the humane care and handling of commercial (pet) and laboratory animals, restrict animal fighting ventures and prohibit the soring of horses.

In 1986 estimates include funding for a phased-down, three-year brucellosis eradication program. Funds from 1985 will be used to begin the depopulation of infected cattle in selected states. After 1987, Federal participation in the program will be limited to disease surveillance activities.

Increases are proposed for animal disease detection, animal health compliance and enforcement, and import-export and a decrease for the screwworm program. The budget proposes elimination of the animal welfare program. Legislation will be proposed to recover an additional \$0.4 million in fees for quarantining livestock entering the United States through animal quarantine facilities and \$1.4 million in fees for export certificates for animals and animal semen. Legislation will also be proposed to put the entire veterinary biologics program on a user fee basis.

Construction of facilities.—In 1981, the Congress appropriated funds under a separate account to APHIS, Buildings and Facilities. The activity reflected shows obligations from prior year moneys.

Contingencies.—

The 1986 estimates propose to increase the contingency fund to \$3.0 million.

Object Classification (in thousands of dollars)

Identification code	12-1600-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	103,798	108,846	104,901
11.3	Other than full-time permanent	3,295	3,397	3,132

11.5	Other personnel compensation	6,206	6,358	5,757
11.9	Total personnel compensation	113,299	118,601	113,790
12.1	Personnel benefits: Civilian	16,769	17,434	15,653
13.0	Benefits for former personnel	386	389	43
21.0	Travel and transportation of persons	7,644	8,220	6,480
22.0	Transportation of things	1,758	1,827	1,273
23.2	Communications, utilities, and other rent	13,120	13,537	9,899
24.0	Printing and reproduction	777	838	465
25.0	Other services	45,460	49,904	39,281
26.0	Supplies and materials	15,032	16,166	12,179
31.0	Equipment	6,054	6,769	6,810
32.0	Land and structures		4	
Grants, subsidies, and contributions:				
41.0	Payments to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease	78	173	110
41.0	Payments to Joint United States-Mexico Screwworm Commission	36,363	27,886	23,588
41.0	Payments to Joint United States-Panama Commission; United States-Colombia Mechanism to Prevent Introduction of Foot-and-Mouth Disease at Darien Gap	1,207	1,400	1,400
41.0	Payments to Joint Commission on the Mediterranean fruit fly	4,014	2,902	5,074
Insurance claims and indemnities:				
42.0	Brucellosis	6,862	9,145	4,041
42.0	Scrapie of sheep	175	250	270
42.0	Tuberculosis	830	1,600	1,648
42.0	Insurance claims	153		
42.0	Exotic new cattle	37		
99.0	Subtotal, direct obligations	270,018	277,045	242,004
99.0	Reimbursable obligations	75,883	19,258	14,830
99.9	Total obligations	345,902	296,303	256,834

Personnel Summary

Direct:				
	Total number of full-time permanent positions	4,067	4,240	4,240
Total compensable workyears:				
	Full-time equivalent employment	4,300	4,401	4,356
	Full-time equivalent of overtime and holiday hours	116	124	124
Reimbursable:				
	Total number of full-time permanent positions	349	176	119
Total compensable workyears:				
	Full-time equivalent employment	380	225	170
	Full-time equivalent of overtime and holiday hours	210	142	142

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-1600-2-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Plant disease and pest control			—1,800
00.02	Animal disease and pest control			—10,498
00.91	Total direct program			—12,298
01.01	Reimbursable program			12,298
10.00	Total obligations			
Financing:				
14.00	Offsetting collections from non-Federal sources			—12,298
40.00	Budget authority (appropriation) ..			—12,298

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-1600-2-1-352	1984 actual	1985 est.	1986 est.
Relation of obligations to outlays:				
71.00	Obligations incurred net			-12,298
90.00	Outlays			-12,298

These schedules reflect proposed legislation to finance this activity on a user-charge basis.

Object Classification (in thousands of dollars)

Identification code	12-1600-2-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent			-6,330
11.3	Positions other than permanent			-153
11.5	Other personnel compensation			-212
11.9	Total personnel compensation			-6,695
12.1	Personnel benefits: Civilian			-906
13.0	Benefits for former personnel			-22
21.0	Travel and transportation of persons			-311
22.0	Transportation of things			-77
23.2	Communications, utilities and other rents			-1,328
24.0	Printing and reproduction			-54
25.0	Other services			-1,343
26.0	Supplies and materials			-1,124
31.0	Equipment			-438
99.0	Direct obligations			-12,298
99.0	Reimbursable obligations			12,298
99.9	Total obligations			

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land, \$2,361,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development and Related Agencies 1985.

Program and Financing (in thousands of dollars)

Identification code	12-1601-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 32.0)	3,285	3,358	5,937
Financing:				
21.40	Unobligated balance available, start of year	-5,473	-4,573	-3,576
24.40	Unobligated balance available, end of year..	4,573	3,576	
40.00	Budget authority (appropriation) ..	2,386	2,361	2,361
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,285	3,358	5,937
72.40	Obligated balance, start of year	2,723	3,675	2,048
74.40	Obligated balance, end of year	-3,675	-2,048	-3,365
90.00	Outlays	2,333	4,985	4,620

The 1986 estimates provide for construction, repairs, and alterations as needed for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

Trust Funds

MISCELLANEOUS TRUST FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-9971-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.02	Expenses, feed, and attendants for animals in quarantine	1,894	1,140	1,140
00.03	Miscellaneous contributed funds	2,035	1,738	1,738
10.00	Total obligations	3,929	2,878	2,878
Financing:				
21.40	Unobligated balance available, start of year	-452	-617	-617
24.40	Unobligated balance available, end of year..	617	617	617
60.00	Budget authority (appropriation) (permanent, indefinite)	4,094	2,878	2,878
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,929	2,878	2,878
72.40	Obligated balance, start of year	-915	-249	100
74.40	Obligated balance, end of year	249	-100	-100
90.00	Outlays	3,263	2,529	2,878
Distribution of budget authority by account:				
	Expenses, feed, and attendants for animals in quarantine	1,924	1,140	1,140
	Miscellaneous contributed funds	2,170	1,738	1,738
Distribution of outlays by account:				
	Expenses and refunds, inspection, certification, and quarantine of animal products	1		
	Expenses, feed, and attendants for animals in quarantine	1,264	791	1,140
	Miscellaneous contributed funds	1,998	1,738	1,738

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

Expenses and refunds, inspection, certification, and quarantine of animal products.—This includes inspection of products intended for human consumption and those products and byproducts not intended for human food. Animal products and byproducts moving in interstate and foreign commerce are subject to inspection and quarantine regulations to prevent the introduction and spread of animal diseases. Fees are paid in advance for services to be rendered (7 U.S.C. 1621-1627) (21 U.S.C. 111).

Expenses, feed, and attendants for animals in quarantine.—Costs associated with the care of animals are paid from fees advanced by importers (21 U.S.C. 102).

Miscellaneous contributed funds.—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing with 1979, fees were collected for the importation of commercial birds.

Object Classification (in thousands of dollars)

Identification code	12-9971-0-7-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	794	713	713
11.3	Other than full-time permanent	411	369	369
11.5	Other personnel compensation	311	279	279
11.9	Total personnel compensation	1,516	1,361	1,361
12.1	Personnel benefits: Civilian	173	155	155

21.0	Travel and transportation of persons.....	369	225	225
22.0	Transportation of things	30	18	18
23.2	Communications, utilities, and other rent....	421	256	256
25.0	Other services	940	683	683
26.0	Supplies and materials	297	180	180
31.0	Equipment	1		
42.0	Insurance claims and indemnities.....	31		
44.0	Refunds.....	151		
99.9	Total obligations	3,929	2,878	2,878

Personnel Summary

Total number of full-time permanent positions.....	53	53	53
Total compensable workyears:			
Full-time equivalent employment	83	74	74
Full-time equivalent of overtime and holiday hours	6	6	6

FEDERAL GRAIN INSPECTION SERVICE*Federal Funds***General and special funds:****SALARIES AND EXPENSES***

*See Part II for additional information.

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed **[\$50,000]** \$20,000 for employment under 5 U.S.C. 3109, **[\$6,936,000]** \$6,820,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 percentum of the current replacement value of the building: *Provided further*, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to persons or persons who require, nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act. (7 U.S.C. 71, 74-79, 84-87th, 1621-27.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2400-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations	6,761	6,994	6,820
Financing:				
25.00	Unobligated balance lapsing	100		
39.00	Budget authority	6,861	6,994	6,820
Budget authority:				
40.00	Appropriation	6,861	6,936	6,820
44.20	Supplemental for civilian pay raises		58	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	6,761	6,994	6,820
72.40	Obligated balance, start of year	889	1,671	1,671
74.40	Obligated balance, end of year	-1,671	-1,671	-1,671
77.00	Adjustments in expired accounts	70		
90.00	Outlays, excluding pay raise supplemental	6,049	6,936	6,820
91.20	Outlays from civilian pay raise supplemental		58	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/ requested:			
Budget authority	6,861	6,994	6,820
Outlays	6,049	6,994	6,820
Proposed for later transmittal under proposed legislation:			
Budget authority			-2,220
Outlays			-2,220
Rescission proposal:			
Budget authority		-94	
Outlays		-94	
Total:			
Budget authority	6,861	6,900	4,600
Outlays	6,049	6,900	4,600

The FGIS provides for the establishment of official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the weight of grain shipped in interstate or foreign commerce as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946 (AMA).

Standardization activities include establishing and updating U.S. grain standards and research; developing and improving methods to ensure the accurate and uniform application of the standards.

Compliance activities include the delegation, designation and review of the official performance of State and private inspection agencies, licensing of personnel and investigation of technical violations.

The International Monitoring Staff will brief foreign buyers, assess foreign inspection and weighing techniques, and respond to foreign quality and quantity complaints.

An advisory committee consisting of members from the grain industry was established to advise the agency regarding efficient and economical implementations of the USGSA.

	1984 actual	1985 estimate	1986 estimate
Standards reviewed, revised and/or reissued	7	2	3
Inspection techniques developed	8	8	7
Investigations conducted	7	10	10
Official agency designations	82	82	82
State delegations at export	8	8	8

Object Classification (in thousands of dollars)

Identification code	12-2400-0-1-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	3,654	3,743	3,633
11.3	Other than full-time permanent	9	50	48
11.5	Other personnel compensation	21	11	11
11.9	Total personnel compensation	3,684	3,804	3,692
12.1	Personnel benefits: Civilian	532	633	620
13.0	Benefits for former personnel	99	162	113
21.0	Travel and transportation of persons	276	384	384
22.0	Transportation of things	23	36	36
23.2	Communications, utilities, and other rent	236	400	400
24.0	Printing and reproduction	47	71	71
25.0	Other services	1,557	1,081	1,081
26.0	Supplies and materials	105	105	105
31.0	Equipment	202	318	318
99.9	Total obligations	6,761	6,994	6,820

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Personnel Summary

Total number of full-time permanent positions.....	135	140	90
Total compensable workyears: Full-time equivalent employment.....	126	156	106

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code 12-2400-2-1-352	1984 actual	1985 est.	1986 est.
Program by activities:			
00.01 Compliance and standardization activities			-2,220
10.00 Total obligations.....			-2,220
Financing:			
40.00 Budget authority (appropriation)			-2,220
Relation of obligations to outlays:			
71.00 Obligations incurred, net			-2,220
90.00 Outlays.....			-2,220

FGIS will propose legislation to fund all compliance and standardization activities in the Inspection and Weighing Services revolving fund from user fees and will request a 3-year implementation of its proposal. These schedules reflect year one of this proposal.

Object Classification (in thousands of dollars)

Identification Code 12-2400-2-1-352	1984 actual	1985 est.	1986 est.
Personnel Compensation:			
11.1 Full-time permanent.....			-1,182
11.3 Other than full-time permanent			-16
11.5 Other personnel compensation			-4
11.9 Total personnel compensation.....			-1,202
12.1 Personnel benefits: Civilian.....			-202
13.0 Benefits for former personnel.....			-37
21.0 Travel and transportation of persons.....			-125
22.0 Transportation of things.....			-12
23.2 Communications, utilities, and other rent....			-130
24.0 Printing and reproduction.....			-23
25.0 Other services.....			-352
26.0 Supplies and materials.....			-34
31.0 Equipment.....			-103
99.9 Total obligations.....			-2,220

Public enterprise funds:

INSPECTION AND WEIGHING SERVICES

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$36,856,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services.

Note.—A regular 1985 limitation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) limits funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code 12-4050-0-3-352	1984 actual	1985 est.	1986 est.
Program by activities:			
10.00 Total obligations.....	29,701	36,573	36,856

Financing:

14.00 Offsetting collections from: Non-Federal sources	-33,227	-36,856	-36,856
21.98 Unobligated balance available, start of year: Fund balance	-3,944	-11,470	-11,753
24.98 Unobligated balance available, end of year: Fund balance.....	11,470	11,753	11,753
25.00 Unobligated balance lapsing.....	2,000		
40.00 Budget authority (appropriation) ..	6,000		
Relation of obligations to outlays:			
71.00 Obligations incurred, net	-3,526	-283	
72.98 Obligated balance, start of year: Fund balance.....	-1,202	-2,171	-2,171
74.98 Obligated balance, end of year: Fund balance.....	2,171	2,171	2,171
90.00 Outlays.....	-2,556	-283	

The Federal Grain Inspection Service provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund.

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by FGIS employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. FGIS supervises the inspection and weighing activities performed by its own employees. The agency also oversees the inspection and weighing of grain performed by employees of 8 delegated States and 82 designated State and private agencies. FGIS provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, FGIS conducts a railroad track scale testing program. In addition, the agency provides grading services on request for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

Legislation will be submitted to the Congress authorizing collection of user fees for standardization and compliance activities. This proposal will be implemented over a 3-year period.

	1984 actual	1985 estimate	1986 estimate
Export grain inspected and weighed (million metric tons):			
By Federal personnel.....	88.5	96.0	96.0
By delegated States	26.7	29.0	29.0
Number of Federal original inspections and re-inspections	216,219	217,000	217,000
Quantity of grain inspected (all official inspections) million metric tons	294.4	295.0	295.0
Number of appeals.....	20,460	20,500	20,500
Quantity of rice inspected (million metric tons—milled basis)	3.4	3.4	3.4

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss: Inspection and weighing services:			
Revenue.....	33,227	36,856	39,076
Expense.....	29,701	36,856	39,076
Net income or loss (—) for the year	3,526		

¹ This amount reflects accounting adjustments made in 1984. Program operations for fiscal year 1984 generated obligations of \$30,931,818 and revenues of \$32,904,939 resulting in a positive margin of \$1,973,121.

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Fund balance with Treasury	2,743	9,299	9,299	9,299
Accounts receivable (net)	4,436	4,487	4,487	4,487
Total assets	7,179	13,786	13,786	13,786
Liabilities:				
Selected liabilities:				
Accounts payable and accrued liabilities	3,235	2,316	2,316	2,316
Government equity:				
Selected equities:				
Unobligated balance (total Government equity)	3,944	11,470	11,470	11,470
Analysis of changes in Government equity:				
Retained income: Opening balance		3,944	11,470	11,470
Transactions: Net income or loss (—) for the year		¹ 7,526		
Total Government equity (end of year)		11,470	11,470	11,470

Object Classification (in thousands of dollars)

Identification code	12-4050-0-3-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1 Full-time permanent		17,545	19,220	19,220
11.3 Other than full-time permanent		502	1,025	1,025
11.5 Other personnel compensation		2,719	3,751	3,751
11.9 Total personnel compensation		20,766	23,996	23,996
12.1 Personnel benefits: Civilian		2,892	2,836	2,836
13.0 Benefits for former personnel		362	547	547
21.0 Travel and transportation of persons		743	858	1,024
22.0 Transportation of things		127	125	125
23.1 Standard level user charges		430	816	816
23.2 Communications, utilities, and other rent		1,268	2,035	2,035
24.0 Printing and reproduction		146	107	170
25.0 Other services		2,559	3,937	3,991
26.0 Supplies and materials		304	325	325
31.0 Equipment		96	991	991
42.0 Insurance claims and indemnities		8		
99.9 Total obligations		29,701	36,573	36,856

Personnel Summary

Total number of full-time permanent positions	731	769	819
Total compensable workyears:			
Full-time equivalent employment	758	794	844
Full-time equivalent of overtime and holiday hours	80	120	120

AGRICULTURAL MARKETING SERVICE

Federal Funds

General and special funds:

MARKETING SERVICES*

*See Part II for additional information.

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution and regulatory programs as authorized by law, [and for administration and coordination of payments to States;] including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$70,000 for employment under 5 U.S.C. 3109, [\$29,464,000; of which not less than \$1,543,000 shall be available for the Wholesale Market Development Program for the design and development of wholesale and farmer market facilities for the major metropolitan

areas of the country] \$29,134,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building; *Provided further*, That none of the funds appropriated or made available under this Act may be used by the Secretary of Agriculture to implement any amendment to an order applicable to a fruit, vegetable, nut or specialty crop issued pursuant to section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c), unless each such amendment thereto is submitted to a separate vote]. (5 U.S.C. 5542; 15 U.S.C. 714-714p; 21 U.S.C. 1031-56; 26 U.S.C. 4851-54, 4861-65, 4871-77, 6804, 7233, 7263, 7492-93, 7701; U.S.C. 725d.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed [\$26,500,000] \$27,253,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

Note.—A regular 1985 limitation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) limits funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2500-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01 Market news service		13,906	14,554	14,156
00.02 Inspection, grading and standardization		12,970	12,012	12,919
00.03 Market protection and promotion		2,259	2,157	2,059
00.04 Wholesale market development		1,468	1,582	
00.91 Total direct program		30,603	30,305	29,134
01.01 Reimbursable program		28,524	28,773	28,984
10.00 Total obligations		59,127	59,078	58,118
Financing:				
Offsetting collections from:				
11.00 Federal funds		— 2,234	— 297	— 300
Non-Federal sources:				
14.00 User fees		— 965	— 1,223	— 27,450
14.00 Miscellaneous reimbursements		— 27,338	— 27,253	— 1,234
17.00 Recovery of prior year obligations		— 747		
21.40 Unobligated balance available, start of year		— 10,511	— 10,790	— 10,790
22.40 Unobligated balance transferred, net		2,482		
24.40 Unobligated balance available, end of year		10,790	10,790	10,790
25.00 Unobligated balance lapsing		321		
39.00 Budget authority		30,924	30,305	29,134
Budget authority:				
40.00 Appropriation		31,030	29,464	29,134
41.00 Transferred to other accounts		— 106		
43.00 Appropriation (adjusted)		30,924	29,464	29,134
44.20 Supplemental for civilian pay raises			841	
Relation of obligations to outlays:				
71.00 Obligations incurred, net		28,590	30,305	29,134
72.10 Receivables in excess of obligations, start of year			— 2,495	— 2,495
72.40 Obligated balance, start of year		8,154		
74.10 Receivables in excess of obligations, end of year		2,495	2,495	2,495
77.00 Adjustments in expired accounts		— 176		
78.00 Adjustments in unexpired accounts		— 747		
90.00 Outlays, excluding pay raise supplemental		38,314	29,489	29,109
91.20 Outlays from civilian pay raise supplemental			816	25

General and special funds—Continued

MARKETING SERVICES—Continued

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

	(In thousands of dollars)		
	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	30,924	30,305	29,134
Outlays	38,314	30,305	29,134
Proposed for later transmittal under proposed legislation:			
Budget authority			—17,319
Outlays			—18,319
Rescission proposal:			
Budget authority		—150	
Outlays		—150	
Total:			
Budget authority	30,924	30,155	11,815
Outlays	38,314	30,155	10,815

AMS activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming. The individual activities include:

Market news service.—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides reports daily on the supply, demand and price of over 400 commodities throughout the country.

AMS will be contracting for a more cost-effective alternative to the current system for disseminating market news as the result of an analysis conducted through an inter-agency agreement with the General Services Administration.

Inspection, grading and standardization.—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of uniform quality products for market; and furnish consumers with more definite information on the quality of products they buy. Grading services are provided for cotton, tobacco and naval stores. On May 13, 1984, the responsibility for warehouse examination services for warehouses licensed under the U.S. Warehouse Act and those storing CCC-pledged or owned commodities was transferred from AMS to the Agricultural Stabilization and Conservation Service.

Continuous in-plant inspection of all plants manufacturing liquid, frozen or dried egg products is provided with quarterly inspection of egg handlers and hatcheries to ensure the proper disposition of shell eggs unfit for human consumption. Imported egg products are controlled to make certain that the inspection systems in

exporting countries are equal to United States' standards.

A uniform government food specification system is maintained to provide a more efficient Federal food procurement service.

COTTON, TOBACCO, AND WAREHOUSE USER FEE PROGRAM

	1984 actual	1985 estimate	1986 estimate
Cotton classed (samples in thousands)	7,995	12,466	11,430
Tobacco auction markets	165	164	164
Tobacco inspected at markets and ports of entry (million pounds)	1,482	1,905	1,805
Grain and other non-cotton warehouses licensed under U.S. Warehouse Act	1,742		
Capacity of grain warehouses (billion bushels)	3.7		
Capacity of cotton warehouses (million bales)	8.9		
Average number of supervisory inspections at each grain warehouse	1.9		
Unannounced examinations—Grain and other	¹ 1596		
Unannounced examinations—Cotton	¹ 198		

¹ Represents warehouse examination activity prior to the transfer of this function to ASCS on May 13, 1984

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	1984 actual	1985 estimate	1986 estimate
Federally inspected establishments: Egg products plants	102	103	103
Federally inspected production (billion pounds): Egg products	1.2	1.2	1.2
States and Commonwealths with cooperative agreements: Egg products inspection	52	52	52
Laboratory services (samples analyzed):			
Food chemistry and microbiology	34,000	35,000	35,000
Chemical residues	720		

STANDARDIZATION ACTIVITIES

	1984 actual	1985 estimate	1986 estimate
International and U.S. standards in effect, end of fiscal year	589	594	601
Number of commodities covered	181	181	186
Standards revised	10	20	22

Market protection and promotion.—This program consists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs, wheat, milk and dairy products, wool, mohair, and potatoes; (2) the Federal Seed Act, Plant Variety Protection Act, and the Export Fruit Acts; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

The Dairy and Tobacco Adjustment Act of 1983 provided for a mandatory 15 cents per hundred weight assessment on all milk marketed by producers in the 48 contiguous States to fund a national dairy product research, promotion and education program. Continuation of the assessment must be approved by dairy farmers in a referendum which will be conducted during August and September 1985.

Federal seed inspectors conduct tests on samples to help assure truthful labeling of agricultural and vegetable seeds sold in interstate commerce. Plant variety protection provides for the issuance of certificates to assure that developers of novel varieties of sexually reproduced plants have exclusive rights to sell, reproduce, import and export such varieties for a period of 18 years.

The Export Fruit Acts promote U.S. foreign trade of various fruits to protect the reputation of U.S. grown fruit in foreign markets and to prevent deception as to

the quality of such products moving in foreign commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permits producers to engage in cooperative efforts, and assures that such cooperatives do not engage in practices that monopolize or restrain trade.

MARKET PROTECTION AND PROMOTION ACTIVITIES

	1984 actual	1985 estimate	1986 estimate
Warehouse Act (cotton only):			
Number of warehouse licenses.....	196		
Unannounced examinations—cotton.....	¹ 140		
Capacity of licensed warehouses (thousands of bales).....	8,896		
Average number supervisory inspections per warehouse.....	¹ 71		
Seed Act:			
Interstate investigations:			
Completed.....	1,524	1,000	1,000
Pending.....	471	500	500
Seed samples tested.....	3,157	3,100	3,100
Plant Variety Protection Act:			
Number of applications received.....	157	170	170
Certificates of protection issued.....	120	160	160
Research and Promotion collections (dollars in millions):			
Cotton.....	25.2	28.5	30.8
Dairy—MMO.....	13.7	14.1	14.3
Dairy—National.....	35.6	85.4	86.1
Egg.....	7.5	7.6	7.6
Wool.....	5.2	4.5	4.3
Wheat and wheat foods.....	1.4	1.4	1.4
Potato.....	2.4	4.5	4.5

¹ Represents warehouse examination activity prior to the transfer of this function to ASCS on May 13, 1984.

Wholesale market development.—This program is designed to enhance the marketing of agricultural commodities in the United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to urban areas interested in improving their food distribution facilities.

WHOLESALE MARKET DEVELOPMENT ACTIVITIES

	1984 actual	1985 estimate	1986 estimate
Studies and projects completed.....	12	12	

For 1986, legislation will be proposed to finance the market news activity; the standardization activity; the Federal Seed Act program; and the Export Fruit Act; Plant Variety Protection Act; and Market Development and Assistance program on a user fee basis. These proposals are designed to align program demand with willingness to pay for these specialized services. In addition, legislation is proposed to amend the Egg Products Inspection Act to provide more effective inspection of egg processing operations and to reduce required shell egg surveillance visits from four times a year to once annually.

Object Classification (in thousands of dollars)

Identification code	12-2500-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent.....		17,843	18,858	17,012
11.3 Other than full-time permanent.....		532	567	559
11.5 Other personnel compensation.....		159	97	97
11.9 Total personnel compensation.....		18,534	19,522	17,668

12.1 Personnel benefits: Civilian.....	2,449	2,551	2,323
13.0 Benefits for former personnel.....	93	92	92
21.0 Travel and transportation of persons.....	1,241	1,288	1,240
22.0 Transportation of things.....	87	118	108
23.2 Communications, utilities, and other rent.....	1,974	2,108	2,195
24.0 Printing and reproduction.....	222	215	161
25.0 Other services.....	4,810	3,573	4,547
26.0 Supplies and materials.....	294	337	327
31.0 Equipment.....	898	501	473
99.0 Subtotal, direct obligations.....	30,603	30,305	29,134
99.0 Reimbursable obligations.....	28,524	28,773	28,984
99.9 Total obligations.....	59,127	59,078	58,118

Personnel Summary

Direct:			
Total number of full-time permanent positions.....	674	674	656
Total compensable workyears:			
Full-time equivalent employment.....	697	698	680
Full-time equivalent of overtime and holiday hours.....	5	3	3
Reimbursable:			
Total number of full-time permanent positions.....	246	246	246
Total compensable workyears:			
Full-time equivalent employment.....	707	682	682
Full-time equivalent of overtime and holiday hours.....	20	38	38

MARKETING SERVICES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-2500-2-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01 Market news service.....				—14,156
00.02 Inspection, grading and standardization..				—2,523
00.03 Market protection and promotion.....				—1,640
00.91 Total direct program.....				—18,319
01.01 Reimbursable program.....				16,813
10.00 Total obligations.....				—1,506
Financing:				
11.00 Offsetting collections from Non-Federal sources.....				—16,813
24.40 Unobligated balance available, end of year..				1,000
40.00 Budget authority (appropriation) ..				—17,319
Relation of obligations to outlays:				
71.00 Obligations, incurred, net.....				—18,319
90.00 Outlays.....				—18,319

These schedules reflect proposed legislation to finance these activities on a user fee basis.

Object Classification (in thousands of dollars)

Identification code	12-2500-2-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent.....				—10,319
11.3 Positions other than permanent.....				—299
11.5 Other personnel compensation.....				—43
11.9 Total personnel compensation.....				—10,661
12.1 Personnel benefits: Civilian.....				—1,346
13.0 Benefits for former personnel.....				—71
21.0 Travel and transportation of persons.....				—618
22.0 Transportation of things.....				—61

General and special funds—Continued

MARKETING SERVICES—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-2500-2-1-352	1984 actual	1985 est.	1986 est.
23.2	Communications, utilities and other rent			-1,889
24.0	Printing and reproduction			-75
25.0	Other services			-3,101
26.0	Supplies and materials			-167
31.0	Equipment			-330
99.0	Subtotal direct obligations			-18,319
99.0	Reimbursable obligations			16,813
99.9	Total obligations			-1,506

[PAYMENTS TO STATES AND POSSESSIONS]

[For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$990,000.]

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2501-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	1,000	990	
Financing:				
40.00	Budget authority (appropriation)	1,000	990	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,000	990	
72.40	Obligated balance, start of year	722	818	
74.40	Obligated balance, end of year	-818		
77.00	Adjustments in expired accounts	-5		
90.00	Outlays	898	1,808	

Grants are made on a matching fund basis to State Departments of Agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists have worked with farmers, marketing firms, and other agencies in solving marketing problems and in using research results.

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Program and Financing (in thousands of dollars)

Identification code	12-5070-0-2-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations	3,383	3,336	3,356
Financing:				
21.40	Unobligated balance available, start of year	-1,228	-751	-771
24.40	Unobligated balance available, end of year	751	771	771
60.00	Budget authority (appropriation) (permanent, indefinite, special fund)	2,906	3,356	3,356
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,383	3,336	3,356
72.40	Obligated balance, start of year	21	320	320
74.40	Obligated balance, end of year	-320	-320	-320
90.00	Outlays	3,084	3,336	3,356

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491-497, 499a-499s). The current annual license fee is set at \$180 plus \$72 for each additional business facility operated by the applicant in excess of nine facilities, up to a maximum of \$1,200.

The Acts are intended to assure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts. Payments in connection with informal settlements to producers are estimated to amount to \$10 million in 1986.

Object Classification (in thousands of dollars)

Identification code	12-5070-0-2-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	1,965	2,015	2,021
11.3	Other than full-time permanent	35	34	34
11.5	Other personnel compensation	12	7	7
11.9	Total personnel compensation	2,012	2,056	2,062
12.1	Personnel benefits: Civilian	312	317	317
13.0	Benefits for former personnel	8	9	9
21.0	Travel and transportation of persons	208	192	206
22.0	Transportation of things	9	5	5
23.1	Standard level user charges	187	195	195
23.2	Communications, utilities, and other rent	200	203	203
24.0	Printing and reproduction	43	16	16
25.0	Other services	286	257	257
26.0	Supplies and materials	91	66	66
31.0	Equipment	27	20	20
99.9	Total obligations	3,383	3,336	3,356

Personnel Summary

Total number of full-time permanent positions	85	85	85
Total compensable workyears: Full-time equivalent employment	87	85	85

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than \$5,995,000 \$6,193,000 for formulation and administration of Marketing [agreements] Agreements and [orders] Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-5209-0-2-605	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
Commodity program payments:				
00.01	Child nutrition program purchases	338,764	350,900	350,900
00.02	Emergency surplus removal	99,191	18,000	.....
00.91	Subtotal	437,954	368,900	350,900
01.01	Administrative costs	8,534	9,028	9,083
01.92	Total direct program	446,488	377,928	359,983
02.01	Reimbursable program	432	446	447
10.00	Total obligations	446,920	378,374	360,430
Financing:				
11.00	Offsetting collections from: Federal funds	-432	-446	-447
17.00	Recovery of prior year obligations ..	-404	.....	.....
21.40	Unobligated balance available, start of year	-185,355	-95,218	-204,553
24.40	Unobligated balance available, end of year	95,218	204,553	225,000
39.00	Budget authority	355,947	487,263	380,430
Budget authority:				
60.00	Appropriation (permanent, indefinite, special fund)	2,696,828	2,852,033	3,671,077
61.00	Transferred to other accounts	-2,340,881	-2,364,770	-3,290,647
63.00	Appropriation (adjusted) ...	355,947	487,263	380,430
Relation of obligations to outlays:				
71.00	Obligations incurred, net	446,488	377,928	359,983
72.40	Obligated balance, start of year	42,771	71,677	71,677
74.40	Obligated balance, end of year	-71,677	-71,677	-71,677
78.00	Adjustments in unexpired accounts ..	-404	.....	.....
90.00	Outlays	417,178	377,928	359,983

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	355,947	487,263	380,430
Outlays	417,178	377,928	359,983
Proposed for later transmittal under proposed legislation:			
Budget authority .....	.....	.....	.....
Outlays .....	.....	.....	-6,193
Total:			
Budget authority	355,947	487,263	380,430
Outlays	417,178	377,928	353,790

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for nonbasic commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are transferred to the Food and Nutrition Service and are dedicated to commodity distribution activities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If commodity surpluses not now foreseen should develop, the reserves not currently programmed (unobligated balances) are available for surplus removal.

Object Classification (in thousands of dollars)

Identification code	12-5209-0-2-605	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	4,216	4,438	4,485
11.3	Other than full-time permanent	100	66	66
11.5	Other personnel compensation	22	.....	.....
11.9	Total personnel compensation	4,338	4,504	4,551
12.1	Personnel benefits: Civilian	548	609	617
13.0	Benefits for former employees	8	19	19
21.0	Travel and transportation of persons	160	177	177
22.0	Transportation of things: Commodities ..	19,142	16,117	15,331
23.1	Standard level user charges	305	331	331
23.2	Communications, utilities, and other rent	325	340	340
24.0	Printing and reproduction	662	698	698
25.0	Other services	1,998	2,160	2,160
25.0	Other services	823	693	659
26.0	Supplies and materials	37	30	30
26.0	Supplies and materials: Grants of commodities to States	417,997	352,090	334,910
31.0	Equipment	144	160	160
42.0	Insurance claims and indemnities	1	.....	.....
99.0	Subtotal, direct obligations	446,488	377,928	359,983
99.0	Reimbursable obligations	432	446	447
99.9	Total obligations	446,920	378,374	360,430

Personnel Summary

Direct:				
Total number of full-time permanent positions	140	140	140	
Total compensable workyears: Full-time equivalent employment	142	139	139	
Reimbursable:				
Total number of full-time permanent positions	6	6	6	
Total compensable workyears: Full-time equivalent employment	6	6	6	

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-5209-2-2-605	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
01.01	Administrative costs .....	.....	.....	-6,193
01.91	Total direct program .....	.....	.....	-6,193
02.01	Reimbursable program .....	.....	.....	-248
10.00	Total obligations .....	.....	.....	-6,441
Financing:				
11.00	Offsetting collections from: Federal funds ..	.....	.....	248
24.40	Unobligated balance available, end of year ..	.....	.....	6,193
39.00	Budget authority .....	.....	.....	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net .....	.....	.....	-6,193
90.00	Outlays .....	.....	.....	-6,193

These schedules reflect proposed legislation to finance the Federal administration of Marketing Agreements and Orders on a user fee basis.

General and special funds—Continued

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)—Continued

Object Classification (in thousands of dollars)				
Identification code	12-5209-2-2-605	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Permanent positions.....			—3,724
11.3	Positions other than permanent.....			—47
11.9	Total personnel compensation.....			—3,771
12.1	Personnel benefits: Civilian.....			—514
13.0	Benefits for former personnel.....			—12
21.0	Travel and transportation of persons.....			—149
22.0	Transportation of things.....			
23.1	Standard level user charges.....			—289
23.2	Rent, communications, and utilities.....			—245
24.0	Printing and reproduction.....			—693
25.0	Other services.....			—371
26.0	Supplies and materials.....			—20
31.0	Equipment.....			—129
99.0	Subtotal direct obligations.....			—6,193
99.0	Reimbursable obligations.....			—248
99.9	Total obligations.....			—6,441

Trust Funds

MISCELLANEOUS TRUST FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-9972-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
Expenses and refunds, inspection and grading of farm products:				
00.01	Dairy products.....	8,509	9,370	9,382
00.02	Fruits and vegetables.....	27,811	29,506	30,407
00.03	Meat grading.....	19,316	19,465	19,506
00.04	Poultry products.....	15,438	15,751	15,781
00.05	Miscellaneous agricultural commodities...	212	315	316
00.11	Price support assessments.....	849	975	975
10.00	Total obligations.....	72,135	75,382	76,367
Financing:				
17.00	Recoveries of prior year obligations.....	—611		
21.40	Unobligated balance available, start of year	—22,770	—20,547	—21,381
24.40	Unobligated balance available, end of year..	20,547	21,381	21,381
60.00	Budget authority (appropriation) (permanent, indefinite).....	69,301	76,216	76,367
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	72,135	75,382	76,367
72.40	Obligated balance, start of year.....	—6,628	—629	—629
74.40	Obligated balance, end of year.....	629	629	629
78.00	Adjustments in unexpired accounts.....	—611		
90.00	Outlays.....	65,525	75,382	76,367

1. *Expenses and refunds, inspection and grading of farm products.*—The commodity inspection and grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste,

color, weight and physical condition. Producers voluntarily request the grading and certification service and it is provided on a fee for service basis.

	1984 actual	1985 estimate	1986 estimate
Cottonseed grade certificates issued (in thousands)	26	45	36
Livestock graded (million pounds).....	199	222	222
Poultry products graded (includes rabbits—million pounds).....	12,267	13,086	13,127
Shell eggs graded (million dozens).....	1,856	1,967	1,916
Poultry accepted (million pounds).....	775	827	829
Eggs accepted (million dozens).....	707	749	730
Meat graded (million pounds).....	11,307	11,000	10,700
Meat accepted (million pounds).....	2,157	2,100	2,050
Processed fruits and vegetables inspected (million pounds).....	21,100	22,371	23,863
Fresh fruits and vegetables inspected (million pounds).....	70,100	71,500	73,000
Dairy products graded (million pounds).....	5,666	53,200	5,150
Market reports issued (in thousands).....	2,522	3,088	3,478

Object Classification (in thousands of dollars)

Identification code	12-9972-0-7-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	41,045	42,961	43,204
11.3	Other than full-time permanent.....	3,950	4,612	4,632
11.5	Other personnel compensation.....	4,717	5,107	5,131
11.9	Total personnel compensation.....	49,712	52,680	52,967
12.1	Personnel benefits: Civilian.....	6,366	6,846	6,880
13.0	Benefits for former personnel.....	365	301	301
21.0	Travel and transportation of persons.....	5,015	4,757	5,137
22.0	Transportation of things.....	129	103	112
23.1	Standard level user charges.....	1,204	1,264	1,264
23.2	Communications, utilities, and other rent...	1,887	1,932	1,907
24.0	Printing and reproduction.....	449	233	540
25.0	Other services.....	5,940	6,073	6,072
26.0	Supplies and materials.....	678	684	681
31.0	Equipment.....	384	509	506
42.0	Insurance claims and indemnities.....	5		
43.0	Interest and dividends.....	1		
99.9	Total obligations.....	72,135	75,382	76,367

Personnel Summary

Total number of full-time permanent positions.....	1,700	1,729	1,722
Total compensable workyears:			
Full-time equivalent employment.....	1,914	1,970	1,963
Full-time equivalent of overtime and holiday hours.....	142	161	161

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in thousands of dollars)

Identification code	12-8412-0-8-351	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Administration.....	26,587	26,438	26,906
00.02	Marketing service.....	4,858	4,600	4,879
10.00	Total obligations.....	31,445	31,038	31,785
Financing:				
Offsetting collections from: Non-Federal sources:				
14.00	Administration.....	—24,881	—24,500	—24,750
14.00	Marketing service.....	—4,818	—4,500	—4,700
14.00	Interest.....	—2,364	—2,163	—2,335
21.98	Unobligated balance available, start of year: Fund balance.....	—20,282	—20,900	—21,025

24.98	Unobligated balance available, end of year: Fund balance	20,900	21,025	21,025
39.00	Budget authority			
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	- 618	- 125	
72.98	Obligated balance, start of year: Fund bal- ance	1,618	2,290	2,290
74.98	Obligated balance, end of year: Fund bal- ance	- 2,290	- 2,290	- 2,290
90.00	Outlays	- 1,290	- 125	

Note.—The administration fund totals are comprised of 45 separate independent order accounts in 1984. The Marketing Service fund totals are comprised of 36 separate independent order accounts in 1984.

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

The expenses of each local office are met from an administrative fund and a marketing service fund which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order provides for the expense of disseminating market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers as the case may be.

Until March 31, 1985, as required by title I of the Dairy and Tobacco Adjustment Act, market administrators will collect 50 cents per hundredweight on all milk produced in the forty-eight contiguous States and marketed by producers for commercial use. These funds will be used to partially offset the costs of the dairy price support paid diversion program.

Milk sold by regulated handlers supplied almost 171 million persons in calendar year 1983.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Administrative fund:			
Revenue	24,881	24,500	24,750
Expense	26,587	26,563	26,906

Net operating loss (—), administrative fund	- 1,706	- 2,063	- 2,156
Marketing service fund:			
Revenue	4,818	4,500	4,700
Expense	4,858	4,600	4,879
Net operating loss (—), marketing serv- ice fund	- 40	- 100	- 179
Net operating loss, total	- 1,746	- 2,163	- 2,335
Nonoperating income:			
Interest revenue	2,364	2,163	2,335
Net income for the year	618		

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Selected assets:				
Cash in banks	18,900	18,350	18,350	18,350
U.S. securities (par value)	3,000	4,840	4,440	4,440
Securities of wholly owned Govt. enterprises			400	400
Accounts receivable, net	318	206	207	207
Total assets	22,218	23,396	23,397	23,397
Liabilities:				
Selected liabilities:				
Accounts payable and accrued li- abilities	1,936	2,497	2,497	2,497
Government equity:				
Selected equities:				
Unobligated balance (total Gov- ernment equity)	20,282	20,900	20,900	20,900
Analysis of changes in Government equity:				
Retained income:				
Opening balance		20,282	20,900	20,900
Net income or loss (—)		618		
Total Government equity (end of year)		20,900	20,900	20,900

Object Classification (in thousands of dollars)

Identification code	12-8412-0-8-351	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1 Full-time permanent		20,995	20,952	21,300
11.3 Other than full-time permanent		131	224	236
11.5 Other personnel compensation		15	15	15
11.9 Total personnel compensation		21,141	21,191	21,551
12.1 Personnel benefits: Civilian		2,468	2,525	2,715
21.0 Travel and transportation of persons		2,177	1,586	1,778
23.2 Communications, utilities, and other rent		3,227	3,683	3,716
25.0 Other services		679	650	650
26.0 Supplies and materials		714	675	600
31.0 Equipment		1,039	728	775
99.9 Total obligations		31,445	31,038	31,785

Personnel Summary ¹

Total number of full-time permanent positions	618	620	620
Total compensable workyears:			
Full-time equivalent employment	623	620	620
Full-time equivalent of overtime and holiday hours	1	1	1

¹ Excludes New York-New Jersey order operated under Federal and State orders

OFFICE OF TRANSPORTATION

Federal Funds

General and special funds:

OFFICE OF TRANSPORTATION*

*See Part II for additional information.

For necessary expenses to carry on services related to agricultural transportation programs as authorized by law; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$20,000 for employment under 5 U.S.C. 3109, **[\$2,515,000] \$2,063,000: Provided,** That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building. (7 U.S.C. 1291, 1621-27; 49 U.S.C. 1653.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-2800-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program.....	2,364	2,542	2,063
01.01	Reimbursable program.....	30	20	.....
10.00	Total obligations.....	2,394	2,562	2,063
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—30	—20	.....
25.00	Unobligated balance lapsing.....	185	.....	.....
39.00	Budget authority.....	2,549	2,542	2,063
Budget authority:				
40.00	Appropriation.....	2,549	2,515	2,063
44.20	Supplemental for civilian pay raises.....	.....	27	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	2,364	2,542	2,063
72.40	Obligated balance, start of year.....	388	296	296
74.40	Obligated balance, end of year.....	—296	—296	—296
77.00	Adjustments in expired accounts.....	116	.....	.....
90.00	Outlays, excluding pay raise supplemental.....	2,572	2,515	2,063
91.20	Outlays from civilian pay raise supplemental.....	.....	27	.....

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	2,549	2,542	2,063
Outlays.....	2,572	2,542	2,063
Rescission proposal:			
Budget authority.....	.....	—18	.....
Outlays.....	.....	—18	.....
Total:			
Budget authority.....	2,549	2,524	2,063
Outlays.....	2,572	2,524	2,063

The principal purpose of the Office of Transportation is to facilitate an efficient domestic and international transportation system for U.S. agricultural products. This is done by providing assistance to exporters and firms by helping to solve international transportation problems relating to agriculture; assisting agricultural shippers and carriers in the new deregulation environment; and providing technical assistance to producers, producer groups, and rural communities to help them

solve specific transport problems. A general program decrease is proposed in 1986.

Object Classification (in thousands of dollars)

Identification code	12-2800-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	1,503	1,603	1,375
11.5	Other personnel compensation.....	8	.....	.....
11.9	Total personnel compensation.....	1,511	1,603	1,375
12.1	Personnel benefits: Civilian.....	159	189	176
21.0	Travel and transportation of persons.....	88	100	100
23.2	Communications, utilities, and other rent.....	60	102	102
24.0	Printing and reproduction.....	11	11	11
25.0	Other services.....	473	473	250
26.0	Supplies and materials.....	40	27	27
31.0	Equipment.....	22	37	22
99.0	Subtotal, direct obligations.....	2,364	2,542	2,063
99.0	Reimbursable obligations.....	30	20	.....
99.9	Total, obligations.....	2,394	2,562	2,063

Personnel Summary

Total number of full-time permanent positions.....	45	45	44
Total compensable workyears: Full-time equivalent employment.....	43	45	42

FOOD SAFETY AND INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES*

*See Part II for additional information.

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, **[\$353,239,000] \$347,799,000: Provided,** That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: **Provided further,** That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the **[construction,]** alteration, and repair of buildings and improvements, but **[,]** unless otherwise provided, the cost of constructing any one building shall not exceed \$90,000, except for two buildings to be constructed or improved at a cost not to exceed \$150,000, and **[the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building. (5 U.S.C. 5341, 5542, 5901; 7 U.S.C. 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 19 U.S.C. 1306; 21 U.S.C. 451-469, 601-624, 641-645, 661, 671-680, 692-695; 31 U.S.C. 725a; 46 U.S.C. 466a-466b.)**

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3700-0-1-554	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program: Meat and poultry inspection.....	338,612	364,635	347,799
01.01	Reimbursable program: Meat and poultry inspection.....	36,334	39,108	37,375
10.00	Total obligations.....	374,946	403,743	385,174

Financing:				
Offsetting collections from:				
11.00	Federal funds	—820	—820	—820
14.00	Non-Federal sources	—35,514	—38,288	—36,555
25.00	Unobligated balance lapsing	196		
39.00	Budget authority	338,808	364,635	347,799
Budget authority:				
40.00	Appropriation	338,808	353,239	347,799
44.20	Supplemental for civilian pay raises		11,396	
Relation of obligations to outlays:				
71.00	Obligations incurred, net	338,612	364,635	347,799
72.40	Obligated balance, start of year	20,406	19,710	20,399
74.40	Obligated balance, end of year	—19,710	—20,399	—20,399
77.00	Adjustments in expired accounts	—871		
90.00	Outlays, excluding pay raise supple- mental	338,437	353,239	347,110
91.20	Outlays from civilian pay raise sup- plemental		10,707	689

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	338,808	364,635	347,799
Outlays	338,437	363,946	347,799
Proposed for later transmittal under proposed legis- lation:			
Budget authority			—2,000
Outlays			—2,000
Rescission proposal:			
Budget authority		—2,473	
Outlays		—2,473	
Total:			
Budget authority	338,808	362,162	345,799
Outlays	338,437	361,473	345,799

The major objectives of the Food Safety and Inspection Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

The Meat and Poultry Inspection program of the Food Safety and Inspection Service provides continuous inplant inspection of all domestic plants preparing meat or poultry products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs.

Legislative changes which will permit collection of user fees to fund FSIS programs are included in the 1986 FSIS budget proposal. Implementation of the user fees would occur over a three year period, with fees funding one-third of program costs in 1986. Fees will be deposited directly to the Treasury; therefore, an annual appropriation will be required to fully fund program operations.

FEDERALLY FUNDED INSPECTION ACTIVITIES

	1984 actual	1985 estimate	1986 estimate
Federally inspected establishments:			
Slaughter plants	525	525	525
Processing plants	5,130	5,135	5,140
Combination slaughter and processing plants	1,540	1,545	1,549
Federally inspected production (millions of pounds):			
Meat slaughter	36,654	37,204	37,762
Meat processing	70,218	69,000	69,000

Poultry slaughter	21,546	22,623	23,754
Poultry processing	49,304	51,769	54,357
Import/export activity (millions of pounds):			
Meat and poultry imported	2,200	2,200	2,200
Meat and poultry exported	1,804	1,800	1,800
Imports refused entry	16	16	16
States and territories with cooperative agreements:			
Intrastate inspection	27	27	27
Talmadge-Aiken inspection	19	20	20
Number of slaughter and/or processing plants (excludes exempt plants)	4,121	4,100	4,100
Pounds inspected slaughter and processing (bil- lions)	3	3	3
Compliance activities:			
Hazardous product detained (millions of pounds)	6	7	7
Compliance reviews	36,661	45,000	48,000
Detection actions	850	900	900
Laboratory services (samples analyzed):			
Food chemistry	96,718	97,000	97,000
Food microbiology	19,202	18,500	18,500
Chemical residues	37,027	36,000	36,000
Antibiotic residues	45,027	21,000	21,000
Pathology residues	402	400	400

Object Classification (in thousands of dollars)

Identification code	1984 actual	1985 est.	1986 est.
12-3700-0-1-554			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	217,901	231,155	219,813
11.3 Other than full-time permanent	9,732	9,702	9,141
11.5 Other personnel compensation	6,173	5,599	5,276
11.9 Total personnel compensation	233,806	246,456	234,230
12.1 Personnel benefits: Civilian	33,523	36,563	34,453
13.0 Benefits for former personnel	1,042	1,000	1,000
21.0 Travel and transportation of persons	15,885	17,021	14,889
22.0 Transportation of things	909	1,000	931
23.2 Communications, utilities, and other rent	5,519	6,058	6,058
24.0 Printing and reproduction	1,051	1,145	1,046
25.0 Other services	12,774	13,293	13,093
26.0 Supplies and materials	1,924	2,197	2,197
31.0 Equipment	760	3,683	3,683
41.0 Grants, subsidies, and contributions	31,395	36,196	36,196
42.0 Insurance claims and indemnities	23	23	23
43.0 Interest and dividends	1		
99.0 Subtotal, direct obligations	338,612	364,635	347,799
99.0 Reimbursable obligations	36,334	39,108	37,375
99.9 Total obligations	374,946	403,743	385,174

Personnel Summary

Direct:			
Total number of full-time permanent positions	9,525	9,660	9,660
Total compensable workyears:			
Full-time equivalent employment	9,408	9,481	9,462
Full-time equivalent of overtime and holiday hours	71	98	98
Reimbursable:			
Total number of full-time permanent positions	151	150	150
Total compensable workyears:			
Full-time equivalent employment	149	192	192
Full-time equivalent of overtime and holiday hours	832	770	770

General and special funds—Continued

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3700-2-1-554	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 11.1)			-2,000
Financing:				
40.00	Budget authority			-2,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net			-2,000
90.00	Outlays			-2,000

These schedules reflect proposed legislation to provide for more efficient meat and poultry processing inspection.

Object Classification (in thousands of dollars)

Identification code	12-3700-2-1-554	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent			-2,000
99.9	Total obligations			-2,000

Personnel Summary

Total number of full-time permanent positions	-81
Total compensable workyears: Full-time equivalent employment	-81

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Program and Financing (in thousands of dollars)

Identification code	12-8137-0-7-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations	824	848	752
Financing:				
21.40	Unobligated balance available, start of year	-225	-226	-226
24.40	Unobligated balance available, end of year	226	226	226
60.00	Budget authority (appropriation) (permanent, indefinite)	825	848	752
Relation of obligations to outlays:				
71.00	Obligations incurred, net	824	848	752
72.40	Obligated balance, start of year	-53	156	156
74.40	Obligated balance, end of year	-156	-156	-156
90.00	Outlays	615	848	752

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food, where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

Object Classification (in thousands of dollars)

Identification code	12-8137-0-7-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	555	573	516
11.3	Other than full-time permanent	17	18	8
11.5	Other personnel compensation	98	100	91
11.9	Total personnel compensation	670	691	615
12.1	Personnel benefits: Civilian	81	84	79
13.0	Benefits for former personnel	2	2	2
21.0	Travel and transportation of persons	11	11	13
23.1	Standard level user charges	6	6	7
23.2	Communications, utilities, and other rent	10	10	14
24.0	Printing and reproduction	2	2	1
25.0	Other services	15	15	20
26.0	Supplies and materials	3	3	1
31.0	Equipment	24	24	
99.9	Total obligations	824	848	752

Personnel Summary

Total number of full-time permanent positions	24	24	24
Total compensable workyears:			
Full-time equivalent employment	23	27	27
Full-time equivalent of overtime and holiday hours	3	2	2

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation as follows: Office of International Cooperation and Development, "Salaries and Expenses."

FOOD AND NUTRITION SERVICE

Federal Funds

General and special funds:

FOOD PROGRAM ADMINISTRATION*

*See Part II for additional information.

For necessary administrative expenses of the Domestic Food Programs funded under this Act, [\$83,187,000] \$79,065,000, of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3508-0-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Child nutrition	26,739	27,271	25,569
00.02	Special milk	154	157	147
00.03	Special supplemental food (WIC)	6,731	6,902	6,472
00.04	Food stamp	47,376	48,233	45,219
00.05	Food donations	1,766	1,768	1,658
00.91	Total, direct program	82,766	84,331	79,065
01.01	Reimbursable program	150	159	159
10.00	Total obligations	82,916	84,490	79,224
Financing:				
11.00	Offsetting collections from: Federal funds ...	-150	-159	-159

17.00	Recovery of prior year obligations	—150		
21.40	Unobligated balance available, start of year	—52	—144	
24.40	Unobligated balance available, end of year	144		
25.00	Unobligated balance lapsing	354		
39.00	Budget authority	83,062	84,187	79,065
	Budget authority:			
40.00	Appropriation	83,062	83,187	79,065
44.20	Supplemental for civilian pay raises		1,000	
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	82,766	84,331	79,065
72.40	Obligated balance, start of year	7,994	7,610	8,180
74.40	Obligated balance, end of year	—7,610	—8,180	—7,669
77.00	Adjustments in expired accounts	—734		
78.00	Adjustments in unexpired accounts	—150		
90.00	Outlays, excluding pay raise supplemental	82,266	82,858	79,479
91.20	Outlays from civilian pay raise supplemental		903	97

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	83,062	84,187	79,605
Outlays	82,266	83,761	79,576
Rescission proposal:			
Budget authority		—684	
Outlays		—684	
Total:			
Budget authority	83,062	83,503	79,605
Outlays	82,266	83,077	79,576

Food program administration provides for the Federal operating expenses of the Food and Nutrition Service related to the administration of the child nutrition, special milk, special supplemental food (WIC), food stamp and food donations programs.

Object Classification (in thousands of dollars)

Identification code	12-3508-0-1-605	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	59,176	60,164	56,737
11.3	Other than full-time permanent	1,845	1,954	1,233
11.5	Other personnel compensation	449	532	508
11.9	Total personnel compensation	61,470	62,650	58,478
12.1	Personnel benefits: Civilian	7,338	7,563	7,060
13.0	Benefits for former personnel	91	123	123
21.0	Travel and transportation of persons	3,495	3,830	3,286
22.0	Transportation of things	86	112	80
23.2	Communications, utilities, and other rent	4,374	4,993	4,598
24.0	Printing and reproduction	410	410	410
25.0	Other services	4,166	3,783	4,016
26.0	Supplies and materials	717	674	695
31.0	Equipment	521	193	319
32.0	Lands and structures	7		
42.0	Insurance claims and indemnities	90		
43.0	Interest and dividends	1		
99.0	Subtotal, direct obligations	82,766	84,331	79,065
99.0	Reimbursable obligations	150	159	159
99.9	Total obligations	82,916	84,490	79,224

Personnel Summary

Total number of full-time permanent positions	2,167	2,167	2,081
Total compensable workyears:			
Full-time equivalent employment	2,236	2,217	2,149
Full-time equivalent of overtime and holiday hours	2	5	5

FOOD STAMP PROGRAM*

*See Part II for additional information.

For making payments to States for administrative expenses in lieu of payments under Section 16(a) and (g) of the Food Stamp Act (7 U.S.C. 2011-2027, 2029), \$840,000,000, which shall be the maximum amount to which States shall be entitled for such expenses incurred during fiscal year 1986: Provided, That this amount shall be allocated among States in proportion to each State's actual administrative expenses incurred during the most recent full fiscal year for which substantially complete actual expenditure reports have been received by the Secretary as of January 20, 1985 and have been approved by the Secretary as of the start of fiscal year 1986: Provided further, That each State may not use more than 10 per centum of its allocation under this paragraph for State administrative expenses associated with other federally-funded, State-administered public assistance programs.

[For] Except as provided above, all other necessary expenses to carry out the Food Stamp Act [(7 U.S.C. 2011-2027, 2029)] \$11,450,000,000, of which \$652,427,000 shall be available only to the extent an official budget request is transmitted to the Congress: Provided, That funds provided herein shall remain available until September 30, 1985, in accordance with section 18(a) of the Food Stamp Act: Provided further, That up to 5 per centum of the foregoing amount may be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: Provided further, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: Provided further, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: Provided further, That \$345,000,000 of the funds provided herein shall be available only to the extent necessary after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste and abuse in the program: \$11,031,250,000: Provided, That State implementation of the provisions of section 20 of the Food Stamp Act or section 409 of the Social Security Act for employable Food Stamp recipients, shall be required of any State receiving these funds, and that Federal matching funds under section 16 for administrative costs, which the Secretary determines are directly associated with these required activities, shall be available from amounts provided in this paragraph.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3505-0-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Benefits	10,726,354	10,523,314	11,071,820
00.02	State administration	807,270	840,000	840,000
00.03	Other	77,997	91,414	82,652
10.00	Total obligations	11,611,621	11,454,728	11,994,472
Financing:				
14.00	Offsetting collections from: Non-Federal sources: Excess state errors	—1,339	—21,799	—138,718
21.40	Unobligated balance available, start of year	—368	—70	
24.40	Unobligated balance available, end of year	70		
25.00	Unobligated balance lapsing	112,930		
39.00	Budget authority	11,722,914	11,432,859	11,855,754
Budget authority:				
40.00	Appropriation	11,616,705	11,450,000	11,871,250
41.00	Transferred to other accounts	—16,091	—16,710	—15,496

General and special funds—Continued

FOOD STAMP PROGRAM—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-3505-0-1-605	1984 actual	1985 est.	1986 est.
42.00	Transferred from other accounts	122,300	.....	.....
43.00	Appropriation (adjusted)	11,722,914	11,433,290	11,855,754
45.00	Transfers out for pay raises .....	.....	— 431	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net	11,610,282	11,432,929	11,855,754
72.40	Obligated balance, start of year	167,824	209,170	176,199
74.40	Obligated balance, end of year	— 209,170	— 176,199	— 183,587
77.00	Adjustment in expired accounts	— 7,913	.....	.....
90.00	Outlays	11,561,023	11,465,900	11,848,366

Note.—The appropriation for 1985 includes \$652,427 thousand that became available with the transmittal of this budget.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/request:	1984 actual	1985 estimate	1986 estimate
Budget authority	11,722,914	11,432,859	11,855,754
Outlays	11,561,023	11,465,900	11,848,366
Supplemental under existing legislation:			
Budget authority .....	.....	318,856	.....
Outlays .....	.....	308,014	10,842
Rescission proposal:			
Budget authority .....	.....	— 8,762	.....
Outlays .....	.....	— 8,762	.....
Total:			
Budget authority	11,722,914	11,742,953	11,855,754
Outlays	11,561,023	11,765,152	11,859,208

The food stamp program helps increase the food purchasing power of eligible households by enabling them to purchase food at retail stores with food stamp coupons.

Benefits.—Participating households receive food stamps whose value is determined by household size and income. This cost is borne entirely by the Federal Government.

State administration.—State welfare agencies are responsible for certification of eligible households and for issuing the correct amount of food stamps.

Other program costs.—Other program costs include printing and transporting coupons to authorized State agencies, processing and destruction of redeemed coupons by Federal Reserve banks, and other costs.

Object Classification (in thousands of dollars)

Identification code	12-3505-0-1-605	1984 actual	1985 est.	1986 est.
22.0	Transportation of things	3,246	4,703	4,703
24.0	Printing and reproduction	23,825	32,433	26,744
25.0	Other services	21,397	24,278	21,205
41.0	Grants, subsidies, and contributions	11,563,153	11,393,314	11,941,820
99.9	Total obligations	11,611,621	11,454,728	11,994,472

NUTRITION ASSISTANCE FOR PUERTO RICO

For monthly payments to the Commonwealth of Puerto Rico for nutrition assistance as authorized by 7 U.S.C. 2028, \$825,000,000.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3550-0-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	825,000	825,000	825,000
Financing:				
40.00	Budget authority (appropriation)	825,000	825,000	825,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net	825,000	825,000	825,000
72.40	Obligated balance, start of year	10,837	21,611	13,200
74.40	Obligated balance, end of year	— 21,611	— 13,200	— 13,200
90.00	Outlays	814,226	833,411	825,000

As a result of the Omnibus Budget Reconciliation Act of 1981, a grant for nutrition assistance was instituted in Puerto Rico beginning July 1, 1982. This grant replaced the food stamp program in Puerto Rico, and provides the Commonwealth with broad flexibility to establish a food assistance program that is specifically tailored to the needs of its low-income households.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), **[\$17,600,000] \$11,500,000, to remain available [until] through September 30, [1986] 1987: Provided, That only final reimbursement claims for milk submitted to State agencies within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary: Provided further, That schools and institutions submitting claims shall be deemed to have agreed not to seek reimbursement for milk served in fiscal year 1986 to individuals from households with incomes exceeding 130 percent of poverty at a rate in excess of the rate established on July 1, 1985: Provided further, That, subject to the enactment of the Compact of Free Association, funds available under this heading shall not be available for program costs incurred by the Marshall Islands and the Federated States of Micronesia: Provided further, That funds available under this heading shall not be available for payment of program costs incurred by schools and institutions in States that choose not to administer the program for those schools and institutions, but whose current laws do not prohibit such States from doing so.**

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3502-0-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)	18,632	17,321	17,676
Financing:				
17.00	Recoveries of prior year obligations	— 1,916	— 1,514	.....
21.40	Unobligated balance, available, start of year	— 9,213	— 4,383	— 6,176
24.40	Unobligated balance available, end of year ..	4,383	6,176	.....
25.00	Unobligated balance lapsing	34	.....	.....
40.00	Budget authority (appropriation) ..	11,920	17,600	11,500
Relation of obligations to outlays:				
71.00	Obligations incurred, net	18,632	17,321	17,676
72.40	Obligated balance, start of year	6,719	4,544	4,209
74.40	Obligated balance, end of year	— 4,544	— 4,209	— 4,295
77.00	Adjustments in expired accounts	— 2,891	.....	.....

78.00	Adjustments in unexpired accounts.....	-1,916	-1,514	.....
90.00	Outlays.....	16,000	16,142	17,590

The program subsidizes milk consumed by children in schools and institutions that do not participate in other federally funded meal programs. Legislation will be proposed to maintain the subsidy for milk served to non-needy recipients at the July 1, 1985, rate during 1986.

CHILD NUTRITION PROGRAMS
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751-1761, and 1766), and the applicable provisions other than section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1773-1785, and 1788); [\$3,804,680,000] \$3,428,180,000, to remain available through fiscal year [1986] 1987, of which [\$1,474,861,000] \$177,533,000 is hereby appropriated and [\$2,329,819,000] \$3,250,647,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, [That, of funds provided herein, \$48,700,000 shall be available only to the extent an official budget request is transmitted to the Congress: *Provided further*,] That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: *Provided further*, That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: *Provided further*, That if the funds available for Nutrition Education and Training grants authorized under section 19 of the Child Nutrition Act of 1966, as amended, require a ratable reduction in those grants, the minimum grant for each State shall be \$50,000: *Provided further*, That only final reimbursement claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, institutions, and service institutions within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act for meals, supplements, and milk served during any month only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary: *Provided further*, That, subject to the enactment of the Compact of Free Association, funds available under this heading shall not be available for program costs incurred by the Marshall Islands and the Federated States of Micronesia: *Provided further*, That funds available under this heading shall not be available for payment of program costs incurred by schools and institutions in States that choose not to administer the program for those schools and institutions, but whose current laws do not prohibit such States from doing so: *Provided further*, That schools and institutions submitting meal claims shall be deemed to have agreed not to seek reimbursement for meals served in fiscal year 1986 at rates in excess of those established on July 1, 1985, or January 1, 1985 in the case of the summer food service program: *Provided further*, That funds available under this heading to finance meals served pursuant to sections 4, 6, 11, and 17 of the National School Lunch Act and section 4 of the Child Nutrition Act of 1966 shall not be available to reimburse claims for meals served to individuals from households with incomes exceeding 185 percent of the poverty level: *Provided further*, That funds available under this heading shall be available for payment of reimbursement claims for meals served during the last quarter of fiscal year 1985 under the above terms and conditions: *Provided further*, That funds available

under this heading shall not be available for child care feeding advances in excess of \$10,000 notwithstanding section 17(f)(4) of the National School Lunch Act.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3539-0-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
Cash payments to States:				
00.01	School lunch (Sec. 4)	459,237	499,100	19,490
00.02	Special meal assistance (Sec. 11)	2,081,366	2,175,168	2,343,620
00.03	School breakfast	364,910	397,700	414,520
00.04	State administrative expenses	43,060	46,880	49,040
00.05	Summer feeding	104,622	115,100	117,210
00.06	Child care feeding	378,088	429,300	322,300
00.10	Commodity procurement	117,875	138,700	154,530
Nutritional studies and education:				
00.20	Nutrition studies and surveys	2,448	2,470	2,470
00.21	Nutrition education and training	5,000	5,000	5,000
10.00	Total obligations	3,556,606	3,809,418	3,428,180
Financing:				
17.00	Recovery of prior year obligations	-166	.....	.....
21.40	Unobligated balance available, start of year	-2,420	-4,738	.....
24.40	Unobligated balance available, end of year	4,738	.....	.....
39.00	Budget authority	3,558,758	3,804,680	3,428,180
Budget authority:				
Current:				
40.00	Appropriation	1,251,463	1,474,861	177,533
Permanent:				
62.00	Transferred from other accounts	2,307,295	2,329,819	3,250,647
63.00	Appropriation (adjusted)	2,307,295	2,329,819	3,250,647
Relation of obligations to outlays:				
71.00	Obligations incurred, net	3,556,606	3,809,418	3,428,180
72.40	Obligated balance, start of year	216,968	235,959	209,518
74.40	Obligated balance, end of year	-235,959	-209,518	-188,550
77.00	Adjustments in expired accounts	-1,071	.....	.....
78.00	Adjustments in unexpired accounts	-166	.....	.....
90.00	Outlays	3,536,378	3,835,859	3,449,148

Note.—The appropriation for 1985 includes \$48,700 thousand that became available with the transmittal of this budget.

The child nutrition programs provide cash and commodity meal subsidies through the school lunch, school breakfast, summer food service and child care food programs. Federal funds are also made available for nutrition studies and State administrative expenses. Proposed legislation will better target nutrition benefits to needy children by discontinuing subsidies to high income students, moderate meal subsidy increases and enhance the use of commodities.

Object Classification (in thousands of dollars)

Identification code	12-3539-0-1-605	1984 actual	1985 est.	1986 est.
11.3	Personnel compensation: Other than full-time permanent	386	312	.....
12.1	Personnel benefits: Civilian	31	24	.....
21.0	Travel and transportation of persons	119	119	.....
23.2	Communications, utilities, and other rent	77	77	.....
25.0	Other services	2,587	2,587	2,470
26.0	Supplies, and materials (grants of commodities to States)	117,875	138,700	154,530
41.0	Grants, subsidies, and contributions	3,435,531	3,667,599	3,271,180
99.9	Total obligations	3,556,606	3,809,418	3,428,180

General and special funds—Continued

CHILD NUTRITION PROGRAMS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Personnel Summary

Total compensable workyears: Full-time equivalent workyears.....	25	20
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【FEEDING PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)】

【For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$1,254,288,000 for the period October 1, 1984 through August 1, 1985; and \$245,712,000 for the period August 2, 1985 through September 30, 1985, which shall be available only to the extent an official request is transmitted to the Congress: *Provided*, That funds shall be appropriated to the States based on an annual appropriation level of \$1,500,000,000: *Provided further*, That funds provided herein shall remain available until September 30, 1986.】

【COMMODITY SUPPLEMENTAL FOOD PROGRAM】

【For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), including not less than \$1,350,000 for the projects in Detroit, New Orleans, and Des Moines, \$24,918,000: *Provided*, That funds provided herein shall remain available until September 30, 1986: *Provided further*, That, of funds provided herein, not to exceed \$6,416,000 shall be made available for States carrying out section 5 of the Agriculture and Consumer Protection Act of 1973.】

WOMEN, INFANTS, AND CHILDREN PROGRAMS (WIC AND CSFP)

For necessary expenses for the women, infants, and children programs authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) and section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c), \$1,513,849,000, to remain available through September 30, 1987.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3510-0-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Special supplemental food program (WIC)	1,366,617	1,423,757	1,479,800
00.02	Commodity supplemental food program (CSFP)	32,624	35,039	34,049
10.00	Total obligations	1,399,241	1,458,796	1,513,849
Financing:				
17.00	Recovery of prior year obligations	—7,480		
21.40	Unobligated balance available, start of year	—3,271	—11,295	
24.40	Unobligated balance available, end of year	11,295		
25.00	Unobligated balance lapsing	365	1,000	
40.00	Budget authority (appropriation)	1,400,150	1,448,501	1,513,849
Relation of obligations to outlays:				
71.00	Obligations incurred, net	1,399,241	1,458,796	1,513,849
72.40	Obligated balance, start of year	155,619	148,600	87,943
74.40	Obligated balance, end of year	—148,600	—87,943	—90,752
77.00	Adjustments in expired accounts	—1,003		
78.00	Adjustments in unexpired accounts	—7,480		
90.00	Outlays	1,397,777	1,519,453	1,511,040

Note.—The appropriation for 1985 includes \$169,295 thousand, that became available with the transmittal of this budget.

The special supplemental feeding program for women, infants and children (WIC) and the commodity supplemental food program (CSFP) provide nutritious foods to low-income pregnant, post-partum and breast-

feeding women, infants and children who are at nutritional risk.

Object Classification (in thousands of dollars)

Identification code	12-3510-0-1-605	1984 actual	1985 est.	1986 est.
Direct obligations:				
25.0	Other services	2,052	2,000	2,000
26.0	Supplies and materials (grants of commodities to States)	25,524	29,019	28,347
41.0	Grants, subsidies, and contributions	1,371,665	1,427,777	1,483,502
99.9	Total obligations	1,399,241	1,458,796	1,513,849

FOOD DONATIONS PROGRAM

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)) and section 4(b) of the Food Stamp Act (7 U.S.C. 2013), 【\$139,546,000: *Provided*, That for fiscal year 1985 only final reimbursement claims for service of meals submitted within ninety days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act.】 \$174,607,000, of which \$120,800,000 shall be the maximum amount available under Section 311 of the Older Americans Act of 1965 (42 U.S.C. 303a): *Provided*, That, subject to the enactment of the Compact of Free Association, funds available under this heading shall not be available for program costs incurred by the Marshall Islands and the Federated States of Micronesia.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3503-0-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
Commodities for families:				
00.01	Commodities in lieu of food stamps	29,514	24,242	37,747
00.02	Distributing agency administrative costs	14,673	16,060	16,060
00.03	Elderly feeding	117,903	120,800	120,800
10.00	Total obligations	162,090	161,102	174,607
Financing:				
21.40	Unobligated balance available, start of year	—16,712	—21,556	
24.40	Unobligated balance available, end of year	21,556		
25.00	Unobligated balance lapsing	2		
40.00	Budget authority (appropriation)	166,936	139,546	174,607
Relation of obligations to outlays:				
71.00	Obligations incurred, net	162,090	161,102	174,607
72.40	Obligated balance, start of year	56,965	32,044	29,923
74.40	Obligated balance, end of year	—32,044	—29,923	—31,935
77.00	Adjustments in expired accounts	—15,295		
90.00	Outlays	171,717	163,223	172,595

Commodities for families.—

Commodities in lieu of food stamps.—Nutritious agricultural commodities will be provided to needy persons on Indian reservations and to residents of the Palau Islands in the Pacific Trust Territory.

Distributing agency administrative costs.—Payments to distributing agencies assist them in meeting the expenses incurred in operating a food distribution program.

Elderly feeding.—This program funds subsidies for elderly feeding programs under titles III and VI of the Older Americans Act of 1965.

Object Classification (in thousands of dollars)

Identification code	12-3503-0-1-605	1984 actual	1985 est.	1986 est.
26.0	Supplies and materials (grants of commodities to States).....	36,514	31,242	44,747
41.0	Grants, subsidies, and contributions.....	125,576	129,860	129,860
99.9	Total obligations.....	162,090	161,102	174,607

HUMAN NUTRITION INFORMATION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES*

* See Part II for additional information.

For necessary expenses to enable the Human Nutrition Information Service to perform applied research and demonstrations relating to human nutrition and consumer use and economies of food utilization, **[\$7,496,000] \$13,416,000**. *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225). (*Public Law 95-113, Food and Agriculture Act of 1977, as amended; Public Law 97-98, National Agricultural Research, Extension, and Teaching Policy Act of 1977.*)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3501-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program.....	6,004	7,533	13,416
01.01	Reimbursable program.....	1,065		
10.00	Total obligations.....	7,069	7,533	13,416
Financing:				
11.00	Offsetting collections from: Federal funds...	—1,065		
25.00	Unobligated balance, lapsing.....	144		
39.00	Budget authority.....	6,148	7,533	13,416
Budget authority:				
40.00	Appropriation.....	6,598	7,496	13,416
41.00	Transferred to other accounts.....	—450		
43.00	Appropriation (adjusted).....	6,148	7,496	13,416
44.20	Supplemental for civilian pay raises.....		37	
Relations of obligations to outlays:				
71.00	Obligations incurred, net.....	6,004	7,533	13,416
72.40	Obligated balance, start of year.....	6,933	5,681	5,542
74.40	Obligated balance, end of year.....	—5,681	—5,542	—8,141
77.00	Adjustments in expired accounts.....	65		
90.00	Outlays, excluding pay raise supplemental.....	7,322	7,637	10,815
91.20	Outlays from civilian pay raise supplemental.....		35	2

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	6,148	7,533	13,416
Outlays.....	7,322	7,672	10,817
Rescission proposal:			
Budget authority.....		—34	
Outlays.....		—34	

Total:

Budget authority.....	6,148	7,499	13,416
Outlays.....	7,322	7,638	10,817

Human Nutrition Information Service.—Plans and conducts nutritional and dietary intake assessment surveys of the total U.S. population and selected groups; provides consultative assistance and sound guidance material to assist people in selecting adequate diets within different budget limitations; maintains and expands the Nutrient Data Bank and revises sections of Agriculture Handbook No. 8, "Composition of Foods"; responds to many different requests for guidance on practical food-related problems as well as on national and international food programs; and conducts nutrition education research and performs technical clearance of nutrition information for the Department.

The Department's major effort in 1986 will be to prepare for the conduct of the Nationwide Food Consumption Survey. Due to the importance of this survey, HNIS will use any funds previously intended to be used on the continuing Food Intake of Individuals Survey in 1986 to prepare for the Nationwide Food Consumption Survey.

Object Classification (in thousands of dollars)

Identification code	12-3501-0-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	1,731	2,186	2,308
11.3	Other than full-time permanent.....	383	399	399
11.9	Total personnel compensation.....	2,114	2,585	2,707
12.1	Personnel benefits: Civilian.....	245	300	314
21.0	Travel and transportation of persons.....	29	54	42
22.0	Transportation of things.....	3	4	4
23.2	Communications, utilities, and other rent.....	175	184	200
24.0	Printing and reproduction.....	24	100	74
25.0	Other services.....	3,300	4,181	9,470
26.0	Supplies and materials.....	46	50	150
31.0	Equipment.....	68	75	455
99.0	Subtotal, direct obligations.....	6,004	7,533	13,416
99.0	Reimbursable obligations.....	1,065		
99.9	Total obligations.....	7,069	7,533	13,416

Personnel Summary

Total number of full-time permanent positions.....	60	70	78
Total compensable workyears: Full-time equivalent employment.....	73	87	95

PACKERS AND STOCKYARDS ADMINISTRATION

Federal Funds

General and special funds:

PACKERS AND STOCKYARDS ADMINISTRATION*

*See Part II for additional information.

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109, **[\$9,035,000] \$8,874,000**. (7 U.S.C. 181-229.)

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development and Related Agencies, 1985.

General and special funds—Continued

PACKERS AND STOCKYARDS ADMINISTRATION—Continued

Program and Financing (in thousands of dollars)

Identification code	12-2600-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....	8,641	9,120	8,874
Financing:				
25.00	Unobligated balance lapsing.....	372		
39.00	Budget authority.....	9,013	9,120	8,874
Budget authority:				
40.00	Appropriation.....	9,013	9,035	8,874
44.20	Supplemental for civilian pay raises.....		85	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	8,641	9,120	8,874
72.40	Obligated balance, start of year.....	1,034	1,075	1,075
74.40	Obligated balance, end of year.....	-1,075	-1,075	-1,075
77.00	Adjustments in expired accounts.....	172		
90.00	Outlays, excluding pay raise supplemental.....	8,773	9,035	8,874
91.20	Outlays from civilian pay raise supplemental.....		85	

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	9,013	9,120	8,874
Outlays.....	8,773	9,120	8,874
Proposed for later transmittal under proposed legislation:			
Budget authority.....			-4,437
Outlays.....			-4,437
Rescission proposal:			
Budget authority.....		-117	
Outlays.....		-117	
Total:			
Budget authority.....	9,013	9,003	4,437
Outlays.....	8,773	9,003	4,437

The goal of this program is to assure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of meat and poultry, and from restrictions on competition which could unduly affect meat and poultry prices.

For 1986, legislation will be proposed to finance 50 percent of this activity on a user-charge basis by requiring an annual license fee. The 1986 estimate includes savings from a 5-percent pay reduction as part of governmentwide management savings initiative.

Object Classification (in thousands of dollars)

Identification code	12-2600-0-1-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	5,794	6,026	5,807
11.3	Other than full-time permanent.....	52	13	11
11.9	Total personnel compensation.....	5,846	6,039	5,818
12.1	Personnel benefits: Civilian.....	790	680	666
13.0	Benefits for former personnel.....	4	10	10

21.0	Travel and transportation of persons.....	621	667	667
22.0	Transportation of things.....	55	20	20
23.2	Communications, utilities, and other rent....	393	624	624
24.0	Printing and reproduction.....	37	39	39
25.0	Other services.....	616	655	644
26.0	Supplies and materials.....	104	151	151
31.0	Equipment.....	175	235	235
99.9	Total obligations.....	8,641	9,120	8,874

Personnel Summary

Total number of full-time permanent positions.....	200	190	185
Total compensable workyears: Full-time equivalent employment.....	194	190	185

PACKERS AND STOCKYARDS ADMINISTRATION

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-2600-2-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program.....			-4,437
01.01	Reimbursable program.....			4,437
10.00	Total obligations.....			
Financing:				
14.00	Offsetting collections from: non-Federal sources.....			-4,437
40.00	Budget authority (appropriation).....			-4,437
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			-4,437
90.00	Outlays.....			-4,437

For 1986, legislation will be proposed to finance 50 percent of this activity on a user-charge basis.

Object Classification (in thousands of dollars)

Identification code	12-2600-2-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....			-2,904
11.3	Other than full-time permanent.....			-5
11.9	Total personnel compensation.....			-2,909
12.1	Personnel benefits: Civilian.....			-333
13.0	Benefits for former personnel.....			-5
21.0	Travel and transportation of persons.....			-333
22.0	Transportation of things.....			-10
23.2	Communications, utilities, and other rent.....			-312
24.0	Printing and reproduction.....			-20
25.0	Other services.....			-322
26.0	Supplies and materials.....			-75
31.0	Equipment.....			-118
99.0	Subtotal, direct obligations.....			-4,437
99.0	Reimbursable obligations.....			4,437
99.9	Total obligations.....			

AGRICULTURAL COOPERATIVE SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES*

*See Part II for additional information.

For necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457), and for activities relating to the

marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and for activities with institutions or organizations throughout the world concerning the development and operation of agricultural cooperatives (7 U.S.C. 3291), [\$4,639,000; of which \$139,000 shall be available for a field office in Hawaii] \$3,565,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$15,000 shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	12-3000-0-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....	4,523	4,639	3,565
Financing:				
25.00	Unobligated balance lapsing.....	154		
40.00	Budget authority (appropriation) ..	4,677	4,639	3,565
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	4,523	4,639	3,565
72.40	Obligated balance, start of year.....	1,347	1,605	1,605
74.40	Obligated balance, end of year.....	-1,605	-1,605	-1,605
77.00	Adjustments in expired accounts.....	-127		
90.00	Outlays.....	4,139	4,639	3,565

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested			
Budget authority.....	4,677	4,639	3,565
Outlays.....	4,139	4,639	3,565
Proposed for later transmittal under proposed legislation:			
Budget authority.....			-1,565
Outlays.....			-1,565
Rescission proposal:			
Budget authority.....		-50	
Outlays.....		-50	
Total			
Budget authority.....	4,677	4,589	2,000
Outlays.....	4,139	4,589	2,000

The Agricultural Cooperative Service serves as the national focal point and storehouse for information about farmer cooperatives. The major missions of the agency include research on cooperative problems and issues, provisions of technical assistance and advice to existing and newly emerging cooperative associations, collection and dissemination of cooperative statistics, and preparation and distribution of educational materials on cooperatives.

The agency's research program includes studies of economic, financial, organizational, managerial, legal, social, and policy related issues that affect cooperatives.

Technical assistance will be provided on a user fee basis in response to requests, usually from cooperative boards of directors or steering committees representing groups of farmers interested in organizing new cooperatives. They may represent a small group up to thousands of farmers, and includes feasibility analyses, merger and other organizational studies, strategic as-

essment and planning, and review of operations and performance of the range of cooperative activities.

Data on numbers of cooperatives, memberships, business volumes, and financial condition are collected and analyzed to detect changes in structure, operations, and growth trends of cooperatives. Educational materials are prepared by ACS to promote the knowledge of cooperative principles and practices as a self-help means to increase family farm income.

The 1986 estimates propose reductions for the marketing programs, and reductions in cooperative research efforts. ACS will render technical assistance to cooperatives and provide research and educational publications on a user fee basis in 1986.

Object Classification (in thousands of dollars)

Identification code	12-3000-0-1-352	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	2,417	2,348	2,276
11.3	Other than full-time permanent.....	37	34	34
11.9	Total personnel compensation.....	2,454	2,382	2,310
12.1	Personnel benefits: Civilian.....	287	258	250
21.0	Travel and transportation of persons.....	145	166	160
22.0	Transportation of things.....	2	2	2
23.2	Communications, utilities, and other rent....	124	147	147
24.0	Printing and reproduction.....	77	91	91
25.0	Other services.....	1,293	1,463	495
26.0	Supplies and materials.....	41	50	50
31.0	Equipment.....	101	80	60
99.9	Total obligations.....	4,523	4,639	3,565

Personnel Summary

Total number of full-time permanent positions.....	68	68	67
Total compensable workyears: full-time equivalent employment.....	69	66	64

SALARIES AND EXPENSES

(Proposed for later transmittal; proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-3000-2-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Total direct program.....			-1,565
01.01	Reimbursable program.....			1,565
10.00	Total obligations.....			
Financing:				
14.00	Offsetting collections from: Non-Federal sources.....			-1,565
40.00	Budget authority (appropriation) ..			-1,565
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			-1,565
90.00	Outlays.....			-1,565

These schedules reflect proposed legislation to finance this activity on a user-charge basis.

Object Classification (in thousands of dollars)

Identification code	12-3000-2-1-352	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent.....			-1,113
12.1	Personnel benefits: Civilian.....			-121
13.0	Benefits for former personnel.....			

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-3000-2-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....			— 74
22.0	Transportation of things.....			
23.2	Communications, utilities and other rent.....			— 69
24.0	Printing and reproduction.....			— 56
25.0	Other services.....			— 107
26.0	Supplies and materials.....			— 10
31.0	Equipment.....			— 15
99.0	Subtotal, direct obligations.....			— 1,565
99.0	Reimbursable obligations.....			1,565
99.9	Total obligations.....			

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

Identification code	12-8229-0-7-352	1984 actual	1985 est.	1986 est.
	Relation of obligations to outlays:			
71.00	Obligations incurred, net.....			
72.40	Obligated balance, start of year.....	1		
90.00	Outlays.....	1		

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (7 U.S.C. 450b, 450h).

FOREST SERVICE

Federal Funds

General and special funds:

FOREST RESEARCH*

*See Part II for additional information.

For necessary expenses of forest research as authorized by law, [§123,433,000, of which \$8,000,000 shall remain available until expended for competitive research grants, as authorized by section 5 of Public Law 95-307] \$104,171,000. (16 U.S.C. 1601-10, 1641-47; Public Law 95-495; Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.)

Program and Financing (in thousands of dollars)

Identification code	12-1104-0-1-302	1984 actual	1985 est.	1986 est.
	Program by activities:			
	Direct program:			
00.01	Fire and atmospheric sciences research..	7,834	7,926	7,312
00.02	Forest insect and disease research.....	21,802	21,056	19,445
00.03	Forest inventory and analysis.....	11,454	17,079	12,852
00.04	Renewable resources economics research.....	4,638	4,482	4,482
00.05	Timber management research.....	22,582	22,061	20,603
00.06	Watershed management and rehabilitation research.....	10,912	11,195	10,811
00.07	Wildlife, range and fish habitat research	9,330	8,876	8,644
00.08	Forest recreation research.....	1,777	2,071	2,012
00.09	Forest products and harvesting research	18,030	18,378	18,010
00.10	Competitive grants.....		7,840	
00.91	Total direct program.....	108,359	120,964	104,171
01.01	Reimbursable program.....	4,933	5,500	5,500
10.00	Total obligations.....	113,292	126,464	109,671

Financing:

	Offsetting collections from:			
11.00	Federal funds.....	— 4,570	— 5,095	— 5,095
14.00	Non-Federal sources.....	— 363	— 405	— 405
22.40	Unobligated balance transferred, net.....	— 848		
25.00	Unobligated balance lapsing.....	1,044		
39.00	Budget authority.....	108,555	120,964	104,171
	Budget authority:			
40.00	Appropriation.....	108,555	123,433	104,171
40.00	Reduction pursuant to Public Law 98-473.....		— 2,469	
43.00	Appropriation (adjusted).....	108,555	120,964	104,171
	Relation of obligations to outlays:			
71.00	Obligations incurred, net.....	108,359	120,964	104,171
72.40	Obligated balance, start of year.....	21,726	21,274	23,161
74.40	Obligated balance, end of year.....	— 21,274	— 23,161	— 22,274
90.00	Outlays.....	108,811	119,077	105,058

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	108,555	120,964	104,171
Outlays.....	108,811	119,077	105,058
Rescission proposal:			
Budget authority.....		— 923	
Outlays.....		— 739	— 184
Total:			
Budget authority.....	108,555	120,041	104,171
Outlays.....	108,811	118,338	104,874

Research is conducted and disseminated through eight regional forest experiment stations and the Forest Products Laboratory and includes both in-house and extramural programs.

Fire and atmospheric sciences research.—Research is conducted to develop improved methods to prevent and control wildfires; reduce loss of life, property, and forest resources; reduce wind and weather-related losses; and use fire to achieve forest and range objectives.

Forest insect and disease research.—Research is conducted to provide technology to optimize productivity, value, and land resource usefulness and to protect wood in use and in storage.

Forest inventory and analysis research.—Research is conducted to provide comprehensive, continuing information about forest land resources of the United States.

Renewable resources economics research.—Research is conducted to provide economic methodology and analyses for forest and rangeland activities and for related forest product distributed system.

Trees and timber management research.—Research is conducted to develop improved silvicultural alternatives and management guidelines to increase the productivity and multiple-use benefits of forest lands, maximize tree growth and quality, and maintain land productivity.

Watershed management and rehabilitation research.—Research is conducted to provide and test methods for protecting, managing, and improving forest and rangeland watersheds and to rehabilitate lands disturbed by mining.

Wildlife, range, and fish habitat research.—Research is conducted to maintain or improve wildlife and fish

habitat; increase forage production; improve soil stability and vegetation cover; and integrate wildlife, fish, and livestock with other uses.

Forest recreation research.—Research is conducted to provide land managers with the technology for increasing and improving outdoor recreation experiences; and to develop knowledge to manage urban vegetation to obtain optimum benefits.

Forest products and harvesting research.—Research is conducted to provide technology to harvest and utilize timber more efficiently and in ways that are environmentally acceptable, to improve the performance of wood products, and to expand opportunities for wood products exports.

Object Classification (in thousands of dollars)

Identification code 12-1104-0-1-302	1984 actual	1985 est.	1986 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	62,756	64,591	59,946
11.3 Other than full-time permanent	4,436	4,561	4,221
11.5 Other personnel compensation	228	236	197
11.8 Special personal services payments.....	3	3	3
11.9 Total personnel compensation	67,423	69,391	64,367
12.1 Personnel benefits: Civilian	8,479	8,726	8,094
13.0 Benefits for former personnel	494	508	471
21.0 Travel and transportation of persons	3,405	4,544	3,319
22.0 Transportation of things	528	705	515
23.1 Standard level user charges.....	1,111	1,171	1,171
23.2 Communications, utilities, and other rent	5,164	6,891	5,033
24.0 Printing and reproduction	754	1,006	735
25.0 Other services.....	14,507	19,356	14,137
26.0 Supplies and materials	3,096	4,131	3,017
31.0 Equipment.....	2,576	3,437	2,510
32.0 Lands and structures	193	258	188
41.0 Grants, subsidies, and contributions	618	825	603
42.0 Insurance claims and indemnities	11	15	11
99.0 Subtotal direct obligations.....	108,359	120,964	104,171
99.0 Reimbursable obligations	4,933	5,500	5,500
99.9 Total obligations.....	113,292	126,464	109,671

Personnel Summary

Direct:			
Total number of full-time permanent positions	2,179	2,143	2,086
Total compensable workyears:			
Full-time equivalent employment.....	2,341	2,328	2,258
Full-time equivalent of overtime and holiday hours.....	8	8	8
Reimbursable:			
Total number of full-time permanent positions	28	28	28
Total compensable workyears:			
Full-time equivalent employment.....	50	50	50
Full-time equivalent of overtime and holiday hours.....			

STATE AND PRIVATE FORESTRY*

*See Part II for additional information.

For necessary expenses of cooperating with, and providing technical [and financial] assistance to States, Territories, possessions, and others; and for forest pest management activities, [\$59,505,000] \$29,723,000, to remain available for obligation until expended [, to carry out activities authorized in Public Law 95-313] : *Provided*, That a grant of \$3,000,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495; *Provided further*, That not less than \$35,000 in pest suppression funds shall be

provided for suppression of oak wilt in the State of Texas: *Provided further*, That \$325,000 shall be made available to the Disabled Veterans Recreation, Inc., for construction of and other improvements to the Disabled Veterans Wilderness Retreat in Ely, Minnesota, for purposes authorized by section 18(d) of Public Law 95-495. (16 U.S.C. 2101-09; Public Law 95-495; Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.)

Program and Financing (in thousands of dollars)

Identification code 12-1105-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:			
Direct program:			
00.01 Forest pest management	26,439	27,500	13,723
00.02 Fire protection	14,844	14,100	7,038
00.03 Forest management and utilization	11,849	11,200	5,590
00.04 Special projects	6,666	4,973	2,480
00.91 Total direct program	59,798	57,773	28,831
01.01 Reimbursable program.....	3,300	4,911	4,911
10.00 Total obligations	63,098	62,684	33,742
Financing:			
Offsetting collections from:			
11.00 Federal funds	-2,412	-3,690	-3,690
14.00 Non-Federal sources.....	-888	-1,221	-1,221
21.40 Unobligated balance available, start of year	-2,991	-4,521	-5,063
22.40 Unobligated balance transferred, net.....	-174		
24.40 Unobligated balance available, end of year..	4,521	5,063	5,955
25.00 Unobligated balance lapsing	-575		
39.00 Budget authority	60,579	58,315	29,723
Budget authority:			
40.00 Appropriation	60,579	59,505	29,723
40.00 Reduction pursuant to Public Law 98-473..		-1,190	
43.00 Appropriation (adjusted)	60,579	58,315	29,723
Relation of obligation to outlays:			
71.00 Obligations incurred, net	59,798	57,773	28,831
72.40 Obligated balance, start of year	12,699	15,643	14,408
74.40 Obligated balance, end of year	-15,643	-14,408	-10,373
90.00 Outlays	56,854	59,008	32,866

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	60,579	58,315	29,723
Outlays	56,854	59,008	32,866
Rescission proposal:			
Budget authority		-463	
Outlays		-370	-93
Total:			
Budget authority	60,579	57,852	29,723
Outlays	56,854	58,638	32,773

Cooperative forestry assistance is provided to all the States, Puerto Rico, Virgin Islands, Guam, the Northern Mariana Islands and the Trust Territory of the Pacific to promote protection and management of forest lands.

Forest pest management.—Technical assistance is provided to protect forest resources and processed wood from insects and diseases directly on National Forests and other Federal lands and in cooperation with States on non-Federal lands.

Fire protection.—Technical assistance is provided to State forestry organizations to help them achieve fire protection efficiency through activities of national interest on non-Federal wildlands.

General and special funds—Continued

STATE AND PRIVATE FORESTRY—Continued

Forest management and utilization.—Technical assistance is provided to State forestry organizations to: improve management of non-industrial private forest resources; increase wood utilization; increase seedling production and nursery capacity of State tree nurseries; expand State tree improvement programs; and provide management and planning assistance.

Special projects.—Activities are of a specific project nature to accomplish specialized forestry activities not included in other Forest Service programs. In 1986, assistance will be provided to Minnesota for forestry impacts of the Boundary Waters Canoe Area Wilderness.

MAIN WORKLOAD FACTORS

	1984 actual	1985 estimate	1986 estimate
Forest land management plans (thousand acres)	3,428	1,688	.....
Woodland owners assisted (thousands assisted)	129	91	.....
Improved utilization of wood (million cubic feet)	74	18	19
Reforestation (thousand acres)	542	102	.....
Timber stand improvement (thousand acres)	307	36	.....

Object Classification (in thousands of dollars)

Identification code	12-1105-0-1-302	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent		13,417	13,560	11,854
11.3 Other than full-time permanent		1,933	1,958	1,710
11.5 Other personnel compensation		329	340	326
11.8 Special personal service payments		15	16	15
11.9 Total personnel compensation		15,694	15,874	13,905
12.1 Personnel benefits: Civilian		2,091	2,115	1,853
13.0 Benefits for former personnel		142	144	126
21.0 Travel and transportation of persons		2,104	2,046	640
22.0 Transportation of things		242	235	73
23.1 Standard level user charges		760	801	801
23.2 Communications, utilities, and other rent		878	854	267
24.0 Printing and reproduction		398	387	121
25.0 Other services		5,374	5,232	1,635
26.0 Supplies and materials		1,110	1,079	338
31.0 Equipment		435	423	132
32.0 Lands and structures		198	193	60
41.0 Grants, subsidies, and contributions		28,490	27,704	8,666
42.0 Insurance claims and indemnities		7	7	2
44.0 Refunds		698	679	212
99.0 Subtotal direct obligations		58,621	57,773	28,831
99.0 Reimbursable obligations		3,300	4,911	4,911
ALLOCATION TO THE DEPARTMENT OF INTERIOR				
41.0 Grants subsidies, and contributions		1,177	.....	.....
99.9 Total obligations		63,098	62,684	33,742
Obligations are distributed as follows:				
State and Private Forestry		6,921	62,684	33,742
National Park Service		240	.....	.....
Bureau of Land Management		377	.....	.....
US Fish and Wildlife Service		37	.....	.....
Bureau of Indian Affairs		523	.....	.....

Personnel Summary

Direct:			
Total number of full-time permanent positions	459	443	407
Total compensable workyears:			
Full-time equivalent employment	569	556	508
Full-time equivalent of overtime and holiday hours	12	12	12

Reimbursable:

Total number of full-time permanent positions	11	11	11
Total compensable workyears: Full-time equivalent employment	11	11	11

NATIONAL FOREST SYSTEM*

*See Part II for additional information.

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, including administration of Oregon and California Grant Lands previously administered by the Bureau of Land Management, and studies and management-related expenses to implement restructuring Forest Service/Bureau of Land Management jurisdictional boundaries; and for liquidation of obligations incurred in the preceding fiscal year for forest fire protection and emergency rehabilitation, including administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", [and not less than \$3,300,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, \$1,067,020,000] \$1,039,157,000, of which [\$151,095,000] \$169,135,000, for reforestation, and timber stand improvement, [cooperative law enforcement,] and maintenance of forest development roads and trails shall remain available for obligation until September 30, [1986] 1987; and in addition, \$64,185,000 shall remain available until expended for expenses necessary to implement Forest Service/Bureau of Land Management jurisdictional boundary changes and for the administration of Oregon and California Grant Lands as defined by 43 U.S.C. 1181 which were previously under Bureau of Land Management jurisdiction. (7 U.S.C. 1010-12, 2201, 2250; 16 U.S.C. 472a-583i, 556d, 670a(b), 1601-14; 30 U.S.C. 601-604, 611-614; 31 U.S.C. 1515; 41 U.S.C. 506; 43 U.S.C. 1181h-j; 1241-43, 1901-08; 67 Stat. 633; Public Law 95-495; Public Law 96-487; Public Law 98-478; 16 U.S.C. 594; 43 U.S.C. 1181, 1701; 53 Stat. 753; Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.)

Program and Financing (in thousands of dollars)

Identification code	12-1106-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01 Land and resource protection		362,688	325,450	320,886
00.02 Renewable resource management and utilization		404,789	455,346	448,995
00.03 General administration		256,116	257,958	258,884
00.91 Total, direct program		1,023,593	1,038,754	1,028,765
01.01 Reimbursable program		134,299	124,709	115,803
10.00 Total obligations		1,157,892	1,163,463	1,144,568
Financing:				
Offsetting collections from:				
11.00 Federal funds		—49,489	—45,689	—42,426
13.00 Trust funds		—84,810	—79,020	—73,377
17.00 Recovery of prior year obligations		—1,290	.....	.....
21.40 Unobligated balance available, start of year		—103,490	—474	—7,400
22.40 Unobligated balance transferred, net		—9,769	.....	.....
24.40 Unobligated balance available, end of year		474	7,400	17,792
25.00 Unobligated balance lapsing		13,289	.....	.....
39.00 Budget authority		922,807	1,045,680	1,039,157
Budget authority:				
40.00 Appropriation		922,807	1,067,020	1,039,157
40.00 Reduction pursuant to Public Law 98-473		—21,340	.....
43.00 Appropriation (adjusted)		922,807	1,045,680	1,039,157
Relation of obligations to outlays:				
71.00 Obligations incurred, net		1,023,593	1,038,754	1,028,765
72.40 Obligated balance, start of year		110,953	76,532	121,533
74.40 Obligated balance, end of year		—76,532	—121,533	—143,784

78.00	Adjustments in unexpired accounts.....	— 1,290		
90.00	Outlays.....	1,056,724	993,753	1,006,514

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	922,807	1,045,680	1,039,157
Outlays	1,056,724	993,753	1,006,514
Proposed for later transmittal under existing legisla- tion:			
Budget authority			64,185
Outlays			63,023
Supplemental under existing legislation:			
Budget authority		61,247	
Outlays		61,247	
Rescission proposal:			
Budget authority		— 12,134	
Outlays		— 9,709	— 2,425
Total:			
Budget authority	922,807	1,094,793	1,103,342
Outlays	1,056,724	1,045,291	1,067,112

The 155 national forests, 19 national grasslands, and 18 land utilization projects located in 44 States, Puerto Rico and the Virgin Islands are managed under multiple use and sustained yield principles. The natural resources of range, timber, watershed, wildlife and outdoor recreation are utilized in a planned combination that will best meet the needs of the Nation, without impairing productivity of the land and will be environmentally acceptable. These management and utilization principles are recognized in the Multiple-Use Sustained-Yield Act of June 12, 1960 (74 Stat. 215). Work programs and budget estimates are related to meeting the increased demands for specific National Forest resource needs through 1986 and for long-term objectives for the year 2020. Increases are provided in the budget for further attainment of these program objectives.

Land and resource protection.—Provides for the protection and/or maintenance of National Forest System users, resources, lands and facilities, including roads and trails, and for program administration to acquire, through exchange, those lands within National Forest boundaries that meet the criteria for inclusion in the National Forest System.

Renewable resource management and utilization.—Provides for the management and utilization of the timber, wildlife and fish, range, recreation, watershed, and soil resources on National Forest System lands.

MAIN WORKLOAD FACTORS

Description:	1984 actual	1985 estimate	1986 estimate
Area administered and protected (million acres) ..	191	191	191
Minerals management (operating plans)	27,310	21,496	24,364
Landline location (miles)	6,809	7,310	4,708
Fuel treatment including fuelbreaks (acres)	207	124	206
Timber sales prepared and offered (billion board feet)	11.9	11.2	10.7
Timber volume harvested (billion board feet)	10.5	10.0	11.2
Tree planting and seeding (thousand acres) (appropriated)	181	161	130
Timber stand improvement (thousand acres) (appropriated)	250	214	173
Estimated number of visitor-days to national for- ests (millions) ¹	240	240	211
Wildlife habitat improvement (thousand acres) ...	156	106	94.8
Grazing use (millions permitted livestock)	10	9.8	9.8

Soil and water resource improvement (thousand acres)	6.2	4.6	2.9
Receipts (in thousands of dollars):			
National forests fund:			
Timber sales	526,036	1,027,650	886,082
Timber sales betterment	165,463	120,729	119,391
Minerals	15,080	18,000	20,000
Grazing	8,077	10,350	10,544
Recreation admission and user fees	27,523	27,900	54,860
Other	3,825	4,020	3,650
National grasslands and land utilization:			
Grazing	1,538	1,500	1,650
Minerals	36,569	50,600	58,000
Other	434	500	420
Oregon and California grant lands	18,267	26,000	27,000
Total receipts	802,812	1,284,715	1,179,053

¹ Including wilderness areas.

General administration.—This activity represents that share of the cost which contributes to the support for accomplishment of programs financed from Research, State and Private Forestry, National Forest System, Construction, and Land Acquisition appropriations.

Object Classification (In thousands of dollars)

Identification code	1984 actual	1985 est.	1986 est.
12-1106-0-1-302			
FOREST SERVICE			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	451,776	481,229	472,825
11.3 Other than full-time permanent	62,965	68,727	92,545
11.5 Other personnel compensation	13,099	13,967	13,697
11.8 Special personal services payments	1,899	2,026	1,988
11.9 Total personnel compensation	529,739	565,949	581,055
12.1 Personnel benefits: Civilian	75,025	80,153	82,292
13.0 Benefits for former personnel	11,134	11,860	11,653
21.0 Travel and transportation of persons	28,350	26,350	24,521
22.0 Transportation of things	11,558	10,724	9,997
23.1 Standard level user charges	15,206	16,028	16,028
23.2 Communications, utilities, and other rent	62,310	57,816	53,894
24.0 Printing and reproduction	5,198	4,823	4,496
25.0 Other services	178,405	165,537	151,807
26.0 Supplies and materials	46,905	43,522	40,570
31.0 Equipment	46,477	43,125	40,200
32.0 Lands and structures	10,352	9,605	8,954
41.0 Grants, subsidies, and contributions	480	445	415
42.0 Insurance claims and indemnities	357	331	309
44.0 Refunds	85	79	74
99.0 Subtotal, direct obligations	1,021,581	1,036,302	1,026,265
99.0 Reimbursable obligations	134,299	124,709	115,803

ALLOCATION ACCOUNTS

Personnel compensation:			
11.1 Full-time permanent	1,146	1,214	1,161
11.3 Other than full-time permanent	43	74	70
11.9 Total personnel compensation	1,189	1,288	1,231
12.1 Personnel benefits: Civilian	164	178	170
21.0 Travel and transportation of persons	78	117	130
22.0 Transportation of things	18	27	30
23.2 Communications, utilities, and other rent ...	69	103	115
24.0 Printing and reproduction	58	87	97
25.0 Other services	258	386	430
26.0 Supplies and materials	109	163	182
31.0 Equipment	63	94	105
32.0 Lands and structures	6	9	10
99.0 Subtotal, allocation accounts	2,012	2,452	2,500
99.9 Total obligations	1,157,892	1,163,463	1,144,568

General and special funds—Continued

NATIONAL FOREST SYSTEM—Continued

Object Classification (In thousands of dollars)—Continued

Identification code	12-1106-0-1-302	1984 actual	1985 est.	1986 est.
Obligations are distributed as follows:				
National Forest System.....		1,155,880	1,161,011	1,144,568
Bureau of Land Management.....		2,012	2,152	2,200
U.S. Geological Service.....			300	300

Personnel Summary

Direct:				
Total number of permanent positions.....		19,945	19,894	20,198
Total compensable workyears:				
Full-time equivalent employment.....		22,705	23,484	23,735
Full-time equivalent of overtime and holiday hours.....		461	475	486

Reimbursable:				
Total number of permanent positions.....		327	304	304
Total compensable workyears:				
Full-time equivalent employment.....		2,214	2,129	2,129
Full-time equivalent of overtime and holiday hours.....		772	726	726

ALLOCATION ACCOUNTS

Total number of permanent positions.....		45	46	46
Total compensable workyears:				
Full-time equivalent employment.....		45	48	48
Full-time equivalent of overtime and holiday hours.....				

NATIONAL FOREST SYSTEM

(Proposed for latter transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-1106-2-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01 Forest Service/Bureau of Land Management Realignment.....				14,403
00.02 Transfer, Oregon and California Lands.....				49,782
10.00 Total obligation.....				64,185
Financing:				
40.00 Budget authority (appropriation).....				64,185
Relation of obligation to outlays:				
71.00 Obligations incurred, net.....				64,185
74.40 Obligated balance, end of year.....				—1,162
90.00 Outlays, excluding pay raise supplemental.....				63,023

Provides for funds to implement a realignment of Forest Service and Bureau of Land Management jurisdictional responsibilities and boundaries. Administration of Oregon and California grant lands, formally under the Bureau of Land Management will be transferred to the Forest Service.

Object Classification (in thousands of dollars)

Identification code	12-1106-2-1-302	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1 Full-time permanent.....				30,165
11.3 Positions other than permanent.....				2,775
11.5 Other personnel compensation.....				480
11.9 Total personnel compensation.....				33,420
12.1 Personnel benefits: Civilian.....				5,193

21.0 Travel and transportation of persons.....				809
22.0 Transportation of things.....				3,855
23.2 Communications, utilities, and other rent....				972
24.0 Printing and reproduction.....				83
25.0 Other services.....				7,052
26.0 Supplies and materials.....				1,452
32.0 Lands and structures.....				11,349
99.9 Total obligations.....				64,185

Personnel Summary

Total number of permanent positions.....				950
Total compensable work years:				
Full-time equivalent employment.....				1,080
Full-time equivalent of overtime and holiday hours.....				18

CONSTRUCTION*

*See Part II for additional information.

[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses of the Forest Service, not otherwise provided for, for construction, [\$268,635,000, of which \$226,290,000 shall be derived by transfer from the unused funds for timber purchaser road credits previously appropriated under the heading "Forest Roads" in Public Law 94-373; Public Law 95-74, and Public Law 95-465 and under the heading "Construction and Land Acquisition" in Public Law 96-196 and Public Law 96-514] \$209,637,000, to remain available until expended, of which [\$26,922,000] \$15,649,000 is for construction and acquisition of buildings and other facilities; and [\$241,713,000] \$193,988,000 is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year [1985] 1986 under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States: *Provided further*, That no more than [\$196,226,000] \$190,300,000, to remain available without fiscal year limitation, shall be obligated for the construction of forest roads by timber purchasers. (7 U.S.C. 2250; 16 U.S.C. 501, 532, 535, 555b, 571c, 1601, 1609; 42 U.S.C. 8259; Public Law 95-495; Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.)

Program and Financing (in thousands of dollars)

Identification code	12-1103-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01 Construction of facilities.....		42,138	27,110	21,580
00.02 Road and trail construction.....		238,496	243,390	193,786
00.03 Pollution abatement.....		508		
00.04 Land acquisition.....		28		
00.05 Mt. St. Helens timber salvage.....		874		
00.91 Total direct program.....		282,044	270,500	215,366
01.01 Reimbursable program.....		2,254	3,100	3,100
10.00 Total obligations.....		284,298	273,600	218,466
Financing:				
Offsetting collections from:				
11.00 Federal funds.....		—2,020	—2,800	—2,800
14.00 Non-Federal sources.....		—234	—300	—300
17.00 Recovery of prior year obligations.....		—229,776		
21.40 Unobligated balance available, start of year.....		—60,511	—249,153	—15,625
22.40 Unobligated balance transferred, net.....		10,814		
24.40 Unobligated balance available, end of year..		249,153	15,625	9,896
39.00 Budget authority.....		251,724	36,972	209,637
Budget authority:				
40.00 Appropriation.....		251,724	42,345	209,637

40.00	Reduction pursuant to Public Law 98-473.....		-5,373	
43.00	Appropriation (adjusted).....	251,724	36,972	209,637
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	282,044	270,500	215,366
72.40	Obligated balance, start of year.....	378,695	138,762	147,920
74.40	Obligated balance, end of year.....	-138,762	-147,920	-140,611
78.00	Adjustments in unexpired accounts.....	-229,776		
90.00	Outlays.....	292,201	261,342	222,675

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority.....	251,724	36,972	209,637
Outlays.....	292,201	261,342	222,675
Rescission proposal:			
Budget authority.....		-1,922	
Outlays.....		-1,537	-385
Total:			
Budget authority.....	251,724	35,050	209,637
Outlays.....	292,201	259,805	222,290

Construction of facilities.—

Recreation facilities.—To provide facilities necessary to safely meet increased recreation demand without sacrificing environmental values and without unduly impinging upon other resource uses of the National Forests. Emphasis will be in areas of higher populations to assist in the conservation of energy.

Other facilities.—To provide for construction and acquisition of fire, administrative, and other improvements and related facilities necessary to carry out National Forest and State and private forestry programs. Includes fire lookouts, offices, dwellings and barracks for employee housing, service, and storage buildings, insectories, tree nursery buildings, dams, and other forest resource management projects. Efforts to make buildings more energy efficient (retrofit) will be continued.

Research construction.—To provide for construction, alteration, and improvement of research laboratories and related facilities, and for procurement and installation of necessary initial equipment needed to put the facility into operating condition. Efforts to make research facilities more energy efficient (retrofit) will be continued.

Road and trail construction.—

Road and trail construction.—Roads and trails are essential to the protection and management of the National Forest Systems, as well as providing access to National Forest System areas for recreation and utilization of their resources. Of the revenues received annually from National Forest activities, 10 percent is being transferred to the General Fund with a comparable amount appropriated to the construction program for road and trail construction activities.

Timber purchaser construction.—Roads may be constructed and/or reconstructed by a timber purchaser who in turn receives credit against timber value as reimbursement. These roads are those required within a timber sale area specifically for the removal of the timber, but which will remain on the National Forest development road system for resource manage-

ment purposes after the timber sale contract is completed. (16 U.S.C. 535, item (2); section 9 of Public Law 93-378; and section 3(a) of Public Law 93-344.)

Twenty-five percent of the amounts allowed any timber purchaser for the construction of roads are paid to the States under provisions of 16 U.S.C. 500 and Public Law 98-175.

Object Classification (in thousands of dollars)

Identification code	12-1103-0-1-302	1984 actual	1985 est.	1986 est.
FOREST SERVICE				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent.....	92,429	95,784	86,275
11.3	Other than full-time permanent.....	12,074	12,510	11,438
11.5	Other personnel compensation.....	1,772	1,834	1,668
11.8	Special personal services payments.....	137	142	129
11.9	Total personnel compensation.....	106,412	110,270	99,510
12.1	Personnel benefits: Civilian.....	14,518	15,044	13,576
13.0	Benefits for former personnel.....	2,546	2,638	2,376
21.0	Travel and transportation of persons.....	4,171	3,763	2,620
22.0	Transportation of things.....	1,777	1,603	1,116
23.1	Standard level user charges.....	2,068	2,180	2,180
23.2	Communications, utilities, and other rent.....	6,000	5,413	3,769
24.0	Printing and reproduction.....	540	487	339
25.0	Other services.....	58,253	52,558	36,591
26.0	Supplies and materials.....	6,856	6,186	4,307
31.0	Equipment.....	5,543	5,001	3,482
32.0	Lands and structures.....	71,982	64,945	45,214
33.0	Investments and loans.....	2	2	1
41.0	Grants, subsidies, and contributions.....	3	3	2
42.0	Insurance claims and indemnities.....	160	144	100
44.0	Refunds.....	292	263	183
99.0	Subtotal, direct obligations.....	281,123	270,500	215,366
99.0	Reimbursable obligations.....	2,254	3,100	3,100
ALLOCATION TO FEDERAL HIGHWAY ADMINISTRATION				
Personnel compensation:				
11.1	Full-time permanent.....	66		
11.3	Other than full-time permanent.....	18		
11.5	Other personnel compensation.....	7		
11.9	Total personnel compensation.....	91		
12.1	Personnel benefits: Civilian.....	9		
21.0	Travel and transportation of persons.....	24		
22.0	Transportation of things.....	24		
23.2	Communication, utilities, and other rent.....	5		
24.0	Printing and reproduction.....	1		
25.0	Other services.....	264		
26.0	Supplies and materials.....	3		
31.0	Equipment.....	1		
32.0	Lands and structures.....	499		
99.0	Subtotal, Federal Highway Administration.....	921		
99.9	Total obligations.....	284,298	273,600	218,466

Personnel Summary

FOREST SERVICE			
Direct:			
Total number of full-time permanent positions.....	3,839	3,803	3,576
Total compensable workyears:			
Full-time equivalent employment.....	4,439	4,445	4,166
Full-time equivalent of overtime and holiday hours.....	61	61	56
Reimbursable:			
Total number of full-time permanent positions.....	15	16	16

General and special funds—Continued

CONSTRUCTION—Continued

[(INCLUDING TRANSFER OF FUNDS)]—Continued

Personnel Summary—Continued

Total compensable workyears: Full-time equivalent employment	30	32	32
Full-time equivalent of overtime and holiday hours	3	3	3
FEDERAL HIGHWAY ADMINISTRATION			
Total number of full-time permanent positions	2		
Total compensable workyears:			
Full-time equivalent employment	3		
Full-time equivalent of overtime and holiday hours	1		

OTHER APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code 12-9911-0-1-302	1984 actual	1985 est.	1986 est.
Program by activities:			
Direct program:			
00.01 Acquisition of lands for Wasatch National Forest, Utah	27	182	
00.02 Acquisition of lands for Winema National Forest, Oregon	-276	276	
00.03 Youth Conservation Corps	155		
00.04 Forest management, protection and utilization	374		
00.91 Total direct program	280	458	
01.01 Reimbursable program	10		
10.00 Total obligations	290	458	
Financing:			
14.00 Offsetting collections from: Non-Federal sources	-10		
17.00 Recovery of prior year obligations	-1,379		
21.40 Unobligated balance available, start of year	-270	-469	
24.40 Unobligated balance available, end of year	469		
25.00 Unobligated balance lapsing	900	11	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Obligations incurred, net	280	458	
72.10 Receivables in excess of obligations, start of year	-104	33	
72.40 Obligated balance, start of year	7,271	4,753	
74.10 Receivables in excess of obligation, end of year	-33		
74.40 Obligated balance, end of year	-4,753		
78.00 Adjustments in unexpired accounts	-1,379		
90.00 Outlays	1,282	5,244	
Distribution of outlays by account:			
Acquisition of lands for:			
Wasatch National Forest	27	182	
Winema National Forest	-276	276	
Youth Conservation Corps	18	33	

Acquisition of lands for Wasatch National Forest, UT.—This special account is established by 76 Stat. 545, approved September 14, 1962, added some 24,000 acres to the Wasatch National Forest with an authorized appropriation of \$400 thousand to purchase privately owned lands within the area to aid in the control of floods and reduction of soil erosion. The 1965 appropriation completed the authorization.

Acquisition of lands for Winema National Forest, OR.—This special account is established by Private Law 96-98, approved December 5, 1980, for receipt of a donation to the Secretary of Agriculture for acquisition of lands or interests therein within the Winema National Forest.

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SPECIAL ACTS

For acquisition of land within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, and Cleveland National Forests, California, as authorized by law, [\$782,000] \$780,000, to be derived from forest receipts. (54 Stat. 299; 59 Stat. 227; Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.)

Program and Financing (in thousands of dollars)

Identification code 12-5208-0-2-302	1984 actual	1985 est.	1986 est.
Program by activities:			
00.01 Cache National Forest, Utah		20	20
00.02 Uinta and Wasatch National Forests, Utah		30	30
00.03 Toiyabe National Forest, Nev	10	10	10
00.04 San Bernardino and Cleveland National Forests, Calif	316	301	300
00.05 Angeles National Forest, Calif	39	261	260
00.06 Cleveland National Forest, Calif	8	144	160
10.00 Total obligations	373	766	780
Financing:			
25.00 Unobligated balance lapsing	407		
39.00 Budget authority	780	766	780
Budget authority:			
40.00 Appropriation (special fund)	780	782	780
40.00 Reduction pursuant to Public Law 98-473		-16	
43.00 Appropriation (adjusted)	780	766	780
Relation of obligations to outlays:			
71.00 Obligations incurred, net	373	766	780
72.40 Obligated balance, start of year	211	217	217
74.40 Obligated balance, end of year	-217	-217	-217
90.00 Outlays	367	766	780

On the basis of various public laws and agreements with certain counties in Utah, Nevada, and California, National Forest receipts, including the portions which would normally be paid to county road and school funds, are used by the Government for purchase of privately owned lands within the National Forests to aid in the control of soil erosion and flood damage.

Object Classification (in thousands of dollars)

Identification code 12-5208-0-2-302	1984 actual	1985 est.	1986 est.
Personnel compensation:			
11.1 Full-time permanent	68	68	68
12.1 Personnel benefits: Civilian	8	8	8
21.0 Travel and transportation of persons	3	3	3
25.0 Other contractual services	11	11	11
26.0 Supplies and materials	1	1	1
32.0 Lands and structures	282	675	689
99.9 Total obligations	373	766	780

Personnel Summary

Total number of permanent positions.....	2	2	2
Total compensable workyears: Full-time equivalent employment.....	2	2	2

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands in accordance with the Act of December 4, 1967, as amended (16 U.S.C. 484a), all funds deposited by State, county or municipal governments, public school districts or other public school authorities pursuant to that Act, to remain available until expended. (Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.)

Program and Financing (in thousands of dollars)

Identification code	12-5216-0-2-302	1984 actual	1985 est.	1986 est.
Program by activities:				
Acquisition of land:				
00.01	Arizona	7	20	20
00.02	California	281		
00.03	Colorado	3		
00.04	Idaho	22		
10.00	Total obligations (object class 32.0) ..	313	20	20
Financing:				
21.40	Unobligated balance available, start of year ..	-834	-901	-901
24.40	Unobligated balance available, end of year..	901	901	901
40.00	Budget authority (appropriation) (indefinite, special fund).....	380	20	20
Relation of obligations to outlays:				
71.00	Obligations incurred, net	313	20	20
72.40	Obligated balance, start of year	29	18	18
74.40	Obligated balance, end of year	-18	-18	-18
90.00	Outlays.....	324	20	20

This is a special account for deposits made by State, county, or municipal governments, public school districts or other public school authorities for cash equalization of certain land exchanges. When appropriated, the funds are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange (16 U.S.C. 484a as amended).

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement in accordance with section 401(b)(1), of the Act of October 21, 1976, Public Law 94-579, as amended, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, to remain available until expended. (43 U.S.C. 1751, 1901-08; Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.)

Program and Financing (in thousands of dollars)

Identification code	12-5207-0-2-302	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....	3,939	4,067	3,963
Financing:				
21.40	Unobligated balance available, start of year ..	-262	-351	-250
24.40	Unobligated balance available, end of year..	351	250	195
40.00	Budget authority (appropriation) (indefinite, special fund).....	4,028	3,966	3,908

Relation of obligations to outlays:

71.00	Obligations incurred, net	3,939	4,067	3,963
72.40	Obligated balance, start of year	1,506	1,144	1,233
74.40	Obligated balance, end of year	-1,144	-1,233	-1,276
90.00	Outlays.....	4,301	3,978	3,920

Part of the grazing fees from the National Forests, in the 16 western States, when appropriated, are used to protect and improve the productivity of the range, mainly by revegetation, construction, and maintenance of improvements. Capital improvement funding is currently being collected under the authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

Object Classification (in thousands of dollars)

Identification code	12-5207-0-2-302	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	498	491	444
11.3	Other than full-time permanent	713	697	634
11.5	Other personnel compensation	94	98	89
11.8	Special personnel service payments	8	8	6
11.9	Total personnel compensation.....	1,313	1,294	1,173
12.1	Personnel benefits: Civilian.....	156	154	141
13.0	Benefits for former personnel.....	33	33	35
21.0	Travel and transportation of persons.....	34	36	36
22.0	Transportation of things	35	37	37
23.2	Communications, utilities, and other rent....	39	41	41
24.0	Printing and reproduction.....	2	2	2
25.0	Other services.....	882	936	947
26.0	Supplies and materials	1,126	1,196	1,209
31.0	Equipment	82	87	88
32.0	Lands and structures.....	232	246	249
42.0	Insurance claims and indemnities.....	5	5	5
99.9	Total obligations.....	3,939	4,067	3,963

Personnel Summary

Total number of full-time permanent positions.....	23	21	21
Total compensable workyears:			
Full-time equivalent employment	75	71	70
Full-time equivalent of overtime and holiday hours	4	4	5

LAND ACQUISITION*

*See Part II for additional information.

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, [“\$44,493,000”] \$2,278,000, to be derived from the Land and Water Conservation Fund, to remain available until expended [“: Provided, That \$2,000,000 shall be available for the acquisition of oil, gas, and other mineral interests in the Allegheny National Forest: Provided further, That such funds shall be available for obligation only to the extent that the Secretary of Agriculture deems necessary to carry out the purposes of the Pennsylvania Wilderness Act of 1984”]. (16 U.S.C. 4601, 516-517a, 555; Public Law 95-495; Public Law 96-586; Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-493.)

Program and Financing (in thousands of dollars)

Identification code	12-5004-0-2-303	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....	37,561	50,050	22,620

General and special funds—Continued

LAND ACQUISITION—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-5004-0-2-303	1984 actual	1985 est.	1986 est.
Financing:				
21.40	Unobligated balanced available, start of year	—38,763	—41,277	—34,830
22.40	Unobligated balance transferred, net	—23		
24.40	Unobligated balanced available, end of year	41,277	34,830	14,488
39.00	Budget authority	40,052	43,603	2,278
Budget authority:				
40.00	Appropriation	40,052	44,493	2,278
40.00	Reduction pursuant to Public Law 98-473		—890	
43.00	Appropriation (adjusted)	40,052	43,603	2,278
Relation of obligations to outlays:				
71.00	Obligations incurred, net	37,561	50,050	22,620
72.40	Obligated balance, start of year	17,939	17,132	25,040
74.40	Obligated balance, end of year	—17,132	—25,040	—6,460
90.00	Outlays	38,368	42,142	41,200

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1984 actual	1985 estimate	1986 estimate
Enacted/requested:			
Budget authority	40,052	43,603	2,278
Outlays	38,368	42,142	41,200
Recission proposal:			
Budget authority		—68	
Outlays		—54	—14
Total:			
Budget authority	40,052	43,535	2,278
Outlays	38,368	42,088	41,186

Recreation lands and interests are acquired within the National Forest System, wilderness, wildlife habitat management areas, endangered species and other areas important for public outdoor recreation purposes.

The land acquisition program in fiscal year 1986 will initiate a 3-year moratorium on new land acquisitions, complete purchases already started, and meet the most critical court deficiency awards.

Object Classification (in thousands of dollars)

Identification code	12-5004-0-2-303	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent	2,333	2,444	1,847
11.3	Other than full-time permanent	95	99	81
11.5	Other personnel compensation	15	15	14
11.9	Total personnel compensation	2,443	2,558	1,942
12.1	Personnel benefits: Civilian	326	326	247
13.0	Benefits for former personnel	23	23	17
21.0	Travel and transportation of persons	115	115	50
22.0	Transportation of things	21	21	9
23.1	Standard level user charges	56	56	59
23.2	Communications, utilities, and other rent	146	146	63
24.0	Printing and reproduction	3	3	1
25.0	Other services	1,266	1,266	547
26.0	Supplies and materials	33	33	14
31.0	Equipment	108	108	47
32.0	Lands and structures	30,791	43,165	18,661
41.0	Grants, subsidies, and contributions	2,226	2,226	962
42.0	Insurance claims and indemnities	3	3	1
44.0	Refunds	1	1	
99.9	Total obligations	37,561	50,050	22,620

Personnel Summary

Total number full-time permanent positions	86	86	68
Total compensable workyears:			
Full-time equivalent employment	87	88	89
Full-time equivalent of overtime and holiday hours	1	7	1

OPERATIONS AND MAINTENANCE OF QUARTERS

Program and Financing (in thousands of dollars)

Identification code	12-5219-0-2-302	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		4,240	5,875
Financing:				
21.40	Unobligated balance available, start of year			—1,060
24.40	Unobligated balance available, end of year		1,060	885
39.00	Budget authority		5,300	5,700
Budget authority:				
40.00	Appropriation, (special fund)		5,300	
60.00	Appropriation (permanent, special fund)			5,700
Relation of obligations to outlays:				
71.00	Obligations incurred, net		4,240	5,875
74.40	Obligated balance available, end of year			—255
90.00	Outlays		4,240	5,620

Quarterly rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee occupied quarters.

Object Classification (in thousands of dollars)

Identification code	12-5219-0-2-302	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent		863	923
11.3	Positions other than permanent		332	355
11.5	Other personnel compensation		100	107
11.8	Special personal services payments		3	3
11.9	Total personnel compensation		1,298	1,388
12.1	Personnel benefits: Civilian		350	534
13.0	Benefits for former personnel		31	47
21.0	Travel and transportation of persons		190	290
22.0	Transportation of things		54	82
23.2	Communications, utilities and other rent		147	224
24.0	Printing and reproduction		9	14
25.0	Other services		1,039	1,585
26.0	Supplies and materials		166	253
31.0	Equipment		81	123
32.0	Lands and structures		875	1,335
99.9	Total obligations		4,240	5,875

Personnel Summary

Total number of permanent positions	52	55
Total compensable workyears: Full-time equivalent employment	58	62

FOREST SERVICE PERMANENT APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code	12-9922-0-2-302	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Expenses, brush disposal	22,250	44,940	43,311
00.02	Licensee programs, Forest Service	20	46	45
00.03	Restoration of forest lands and improvements	89	155	150
00.04	Timber purchaser roads constructed by Forest Service	5,953	40,268	38,809
00.05	Timber salvage sales	8,316	20,049	19,322
00.06	Tongass timber supply fund	28,514	49,242	47,456
00.91	Total direct program	65,142	154,700	149,093
01.01	Reimbursable program	25,726	20,000	20,000
10.00	Total obligations	90,868	174,700	169,093
Financing:				
Offsetting collections from:				
11.00	Federal funds	-18,432	-14,330	-14,330
14.00	Non-Federal sources	-7,294	-5,670	-5,670
21.40	Unobligated balance available, start of year	-103,985	-173,211	-160,464
24.40	Unobligated balance available, end of year	173,211	160,464	149,272
60.00	Budget authority (appropriation) (permanent, indefinite, special funds)	134,368	141,953	137,901
Relation of obligations to outlays:				
71.00	Obligations incurred, net	65,142	154,700	149,093
72.40	Obligated balance, start of year	45,097	38,212	44,856
74.40	Obligated balance, end of year	-38,212	-44,856	-57,382
90.00	Outlays	72,027	148,056	136,567
Distribution of budget authority by account:				
	Expenses, brush disposal	45,302	41,822	46,144
	Licenses programs, Forest Service	140	100	100
	Restoration of forest lands and improvements	120	100	100
	Timber purchaser roads constructed by Forest Service	37,931	33,903	22,900
	Timber salvage sales	15,414	16,055	17,853
	Tongass timber supply fund	35,461	49,973	50,804
Distribution of outlays by account:				
	Expenses, brush disposal	22,197	48,470	44,172
	Licensee programs, Forest Service	23	77	100
	Restoration of forest lands and improvements	107	160	100
	Timber purchaser roads constructed by Forest Service	10,991	34,012	26,138
	Timber salvage sales	9,357	19,730	17,148
	Tongass timber supply fund	29,352	45,607	48,909

Expenses, brush disposal.—Payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

Licensee programs, Forest Service.—Fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

Smokey Bear.—For furthering the nationwide forest fire prevention campaign (18 U.S.C. 711 and 31 U.S.C. 488a).

Woodsy Owl.—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (31 U.S.C. 488b-3-6).

Restoration of forest lands and improvements.—Funds received from claim settlement involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action

which led to the settlement of forfeiture (16 U.S.C. 579c).

Timber purchaser roads constructed by Forest Service.—Expenditure of timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

Timber salvage sales.—Appropriation to begin salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement in accordance with Public Law 95-26, the Supplemental Appropriation Act of 1977 and under authority of 16 U.S.C. 472a(h).

Tongass timber supply fund, Forest Service.—To maintain the timber supply from the Tongass National Forest at a specified level. (Public Law 96-487 (16 U.S.C. 539d).)

Object Classification (in thousands of dollars)

Identification code	12-9922-0-2-302	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	28,751	30,271	28,034
11.3	Other than full-time permanent	11,063	11,638	11,118
11.5	Other personnel compensation	3,389	3,507	3,354
11.8	Special personal service payments	86	89	85
11.9	Total personnel compensation	43,289	45,505	42,591
12.1	Personnel benefits: Civilian	11,689	12,287	11,500
13.0	Benefits for former personnel	995	1,048	971
21.0	Travel and transportation of persons	4,004	7,029	6,046
22.0	Transportation of things	1,144	2,008	2,108
23.1	Standard level user charges	1,828	1,927	1,927
23.2	Communications, utilities, and other rent	2,947	5,174	5,430
24.0	Printing and reproduction	216	379	398
25.0	Other services	20,686	36,317	33,114
26.0	Supplies and materials	3,317	5,823	6,112
31.0	Equipment	1,892	3,322	3,486
32.0	Lands and structures	17,435	30,609	32,124
33.0	Investments and loans	27	47	50
41.0	Grants, subsidies, and contributions	-44,455	3,000	3,000
42.0	Insurance claims and indemnities	122	214	225
44.0	Refunds	6	11	11
99.0	Subtotal, direct obligations	65,142	154,700	149,093
99.0	Reimbursable obligations	25,726	20,000	20,000
99.9	Total obligations	90,868	174,700	169,093

Personnel Summary

Total number of full-time permanent positions	1,295	1,355	1,376
Total compensable workyears:			
Full-time equivalent employment	1,992	2,075	2,100
Full-time equivalent of overtime and holiday hours	140	140	145

FOREST SERVICE PERMANENT APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code	12-9921-0-2-852	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Payment to Minnesota	712	716	716
00.02	Payments to counties, National Grasslands	9,912	13,189	13,617
00.03	Payments to States, National Forests fund	192,707	224,937	350,529

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-9921-0-2-852	1984 actual	1985 est.	1986 est.
00.04	Payments to Coos and Douglas counties, Oregon from receipts, Coos Bay Wagon grants lands.....			580
00.05	Payments to counties, Oregon and California grant lands.....			57,805
10.00	Total obligations (object class 41.0).	203,331	238,842	423,247
Financing:				
60.00	Budget authority (appropriation) (permanent, indefinite, special fund).....	203,331	238,842	423,247
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	203,331	238,842	423,247
90.00	Outlays.....	203,331	238,842	423,247
Distribution of budget authority by account:				
	Payment to Minnesota.....	712	716	716
	Payments to counties, National Grasslands.....	9,912	13,189	13,617
	Payments to States, National Forest Fund.....	192,707	224,937	350,529
	Payments to Coos and Douglas Counties, Oregon from receipts, Coos Bay Wagon Road grant lands.....			580
	Payments to counties, Oregon and California grant lands.....			57,805
Distribution of outlays by account:				
	Payment to Minnesota.....	712	716	716
	Payments to counties, National Grasslands.....	9,912	13,189	13,617
	Payments to States, National Forest Fund.....	192,707	224,937	350,529
	Payments to Coos and Douglas Counties, Oregon from receipts, Coos Bay Wagon Road grant lands.....			580
	Payments to counties, Oregon and California grant lands.....			57,805

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

Enacted/requested:	1984 actual	1985 estimate	1986 estimate
Budget authority.....	203,331	238,842	423,247
Outlays.....	203,331	238,842	423,247
Proposed for later transmittal under proposed legislation:			
Budget authority.....			—356,000
Outlays.....			—356,000
Total:			
Budget authority.....	203,331	238,842	67,247
Outlays.....	203,331	238,842	67,247

Payment to Minnesota.—At the close of each fiscal year the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

Payments to counties, National Grasslands.—Of the revenues received from the use of National Grasslands, 25 percent is paid to the counties in which such land is situated for school and road purposes (7 U.S.C. 1012).

Payments to States, National Forests fund.—With minor exceptions, 25 percent of the money received from the national forests, including all the collections under 16 U.S.C. 576b, and all amounts allowed any timber purchaser for construction of roads, is paid to the States for public schools and roads of the county in which such forests are situated (16 U.S.C. 500 and Public Law 98-175).

The budget assumes proposed legislation that would make these payments more rational by computing them on the basis of net receipts.

Payments to Coos and Douglas Counties, OR from receipts, Coos Bay Wagon Road grant lands.—Out of receipts from the Coos Bay Wagon Road grant lands in Oregon, payments in lieu of taxes are made to Coos and Douglas Counties for schools, roads, highways, bridges, and port districts (53 Stat. 753-754).

Payments to counties, Oregon and California grant lands.—Fifty percent of the receipts of Oregon and California land-grant funds are paid to the counties in which the lands are situated, to be used as other county funds (39 Stat. 218; 50 Stat. 876).

FOREST SERVICE PERMANENT APPROPRIATIONS

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

Identification code	12-9921-2-2-852	1984 actual	1983 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0).....			—356,000
Financing:				
40.00	Budget authority (appropriation).....			—356,000
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....			—356,000
90.00	Outlays.....			—356,000

Legislation is proposed to change the method of calculating the annual payment to the States from National Forest receipts. Under existing legislation, 25 percent of all money received from the National Forests during any fiscal year is paid to the States in which the forests are located, for the benefit of public schools and public roads of the county or counties in which such National Forests are situated. This proposed legislation would make these payments more rational by computing them on the basis of net receipts, after considering relevant program costs.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in thousands of dollars)

Identification code	12-4605-0-4-302	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Operating expenses.....	69,188	68,648	67,144
00.02	Capital investment.....	25,707	23,865	23,289
10.00	Total obligations.....	94,895	92,513	90,433
Financing:				
Offsetting collections from:				
11.00	Federal funds.....	—115,128	—96,765	—85,258
14.00	Non-Federal sources.....	—1,151	—3,744	—3,926
21.98	Unobligated balance available, start of year: Fund balance.....	—39,560	—60,944	—68,940
24.98	Unobligated balance available, end of year: Fund balance.....	60,944	68,940	67,691
39.00	Budget authority.....			
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	—21,383	—7,996	1,249
72.98	Obligated balance, start of year: Fund balance.....	28,215	28,747	20,751

74.98	Obligated balance, end of year: Fund balance.....	-28,747	-20,751	-22,000
90.00	Outlays.....	-21,915		

The Working capital fund was established by the act of August 3, 1956 (16 U.S.C. 579b), as amended by the act of October 23, 1962 (16 U.S.C. 579b). It is a self-sustaining revolving fund which provides services to national forests, research experiment stations, and when necessary, to other Federal agencies, and as provided by law, to State and private agencies and persons who cooperate with the Forest Service in fire control and other authorized programs.

The forestry related supply and support services provided by the Working capital fund in 1984 included:

Equipment service which owns, operates, maintains, replaces, and repairs common use motor driven and similar equipment. This equipment is rented to administrative units, that is, national forests, research experiment stations, and other units, and in some cases to the other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

Aircraft service which operates, maintains, and repairs Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to national forests, research experiment stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working capital fund, or a combination of both.

Supply service operates the following common services:

Photo reproduction laboratories which store, reproduce, and supply aerial photographs, aerial maps, and other photographs of national forest lands. The photographic reproductions are sold to national forests, experiment stations, and others at cost.

Sign shops which manufacture and supply special signs for the national forests for use in regulating traffic and as information to the public and other users of the national forests. The signs are sold to national forests and experiment stations at cost.

Subsistence which prepares and serves meals to Forest Service crews working in areas where adequate public restaurant facilities are not available.

Nurseries which operate forest tree nurseries and cold storage facilities for storage of tree and seed stock and a seed extractory. Tree seed is procured, cleaned, bagged, and stored in refrigerated facilities. Tree and seed stock is sold to national forests, States, and other Federal agencies at cost.

Object Classification (in thousands of dollars)

Identification code	12-4605-0-4-302	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	18,386	17,924	17,517

11.3	Other than full-time permanent	6,760	6,590	6,440
11.5	Other personnel compensation	790	770	753
11.8	Special personal services payments	7	7	7
11.9	Total personnel compensation.....	25,943	25,291	24,717
12.1	Personnel benefits: Civilian	3,235	3,154	3,082
13.0	Benefits for former personnel.....	516	503	492
21.0	Travel and transportation of persons.....	584	569	556
22.0	Transportation of things	545	531	519
23.1	Standard level user charges.....	840	819	819
23.2	Communications, utilities, and other rent....	2,652	2,585	2,526
24.0	Printing and reproduction.....	33	32	31
25.0	Other services	11,215	10,933	10,685
26.0	Supplies and materials	28,326	27,618	26,991
31.0	Equipment	20,815	20,292	19,832
32.0	Lands and structures.....	144	140	137
41.0	Grants, subsidies and contributions.....	20	20	20
42.0	Insurance claims and indemnities.....	2	2	2
44.0	Refunds	25	24	24
99.9	Total obligations.....	94,895	92,513	90,433

Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

Trust Funds

MISCELLANEOUS TRUST FUNDS

For expenses authorized by 16 U.S.C. 1643(b), \$90,000, to remain available until expended, to be derived from the fund established pursuant to 16 U.S.C. 1643(b). (*Department of the Interior and Related Agencies Appropriations Act, 1985, as included in Public Law 98-473.*)

Program and Financing (in thousands of dollars)

Identification code	12-9973-0-7-999	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Cooperative work, KV.....	167,682	130,526	129,048
00.02	Construction and maintenance of other improvements.....	36,801	38,374	37,939
00.03	Gifts and donations.....	42	90	90
00.04	Expenses, road maintenance deposits (Oregon and California grant lands) ..			5,100
00.91	Total direct program	204,525	168,990	172,177
01.01	Reimbursable program.....	33	5	5
10.00	Total obligations.....	204,558	168,995	172,182
Financing:				
Offsetting collections from:				
11.00	Federal funds: Revenue.....	-26	-4	-4
14.00	Non-Federal sources.....	-7	-1	-1
Unobligated balance available, start of year:				
21.40	Treasury balance.....	-332,746	-359,315	-343,668
21.40	U.S. securities (par)	-220	-235	-250
Unobligated balance available, end of year:				
24.40	Treasury balance.....	359,315	343,668	329,981
24.40	U.S. securities (par)	235	250	232
39.00	Budget authority	231,109	153,358	158,472
Budget authority:				
Current:				
40.00	Appropriation		90	90
40.00	Reduction pursuant to Public Law 98-473		-2	
43.00	Appropriation (adjusted).....		88	90
Permanent:				
60.00	Budget authority (appropriation) (permanent, indefinite).....	231,109	153,270	158,382
Relation of obligations to outlays:				
71.00	Obligations incurred, net	204,525	168,990	172,177
72.40	Obligated balance, start of year	24,874	94,853	110,707

MISCELLANEOUS TRUST FUNDS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-9973-0-7-999	1984 actual	1985 est.	1986 est.
74.40	Obligated balance, end of year	-94,853	-110,707	-130,362
90.00	Outlays	134,546	153,136	152,522

Advances, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 572, 572a, 576b, 1643 and 31 U.S.C. 1321).

Twenty-five percent of all collections under 16 U.S.C. 576b are paid to the States under the provisions of 16 U.S.C. 500 and Public Law 98-175.

User of roads in Oregon and California grant lands may make deposits for maintenance purposes, and moneys collected are available for necessary road maintenance. Moneys collected on Oregon and California grant lands are available for those lands only (43 U.S.C. 1701 et seq.).

Object Classification (in thousands of dollars)

Identification code	12-9973-0-7-999	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	37,254	39,145	37,443
11.3	Other than full-time permanent	14,217	14,933	14,284
11.5	Other personnel compensation	2,536	2,624	2,510
11.8	Special personal services payments	129	133	127
11.9	Total personnel compensation	54,136	56,835	54,364
12.1	Personnel benefits: Civilian	10,176	10,683	10,219
13.0	Benefits for former personnel	1,084	1,139	1,089
21.0	Travel and transportation of persons	1,417	1,829	1,849
22.0	Transportation of things	1,709	2,205	2,229
23.1	Standard level user charges	731	771	771
23.2	Communications, utilities, and other rent	3,951	5,099	5,154
24.0	Printing and reproduction	128	165	167
25.0	Other services	106,749	58,719	64,451
26.0	Supplies and materials	13,593	17,542	17,731
31.0	Equipment	1,986	2,563	2,591
32.0	Lands and structures	8,451	10,906	11,023
33.0	Investments and loans	9	12	12
41.0	Grants, subsidies, and contributions	8	10	10
42.0	Insurance claims and indemnities	59	76	76
44.0	Refunds	338	436	441
99.0	Subtotal, direct obligations	204,525	168,990	172,177
99.0	Reimbursable obligations	33	5	5
99.9	Total obligations	204,558	168,995	172,182

Personnel Summary

Total number of full-time permanent positions	1,743	1,750	1,800
Total compensable workyears:			
Full-time equivalent employment	2,622	2,662	2,712
Full-time equivalent of overtime and holiday hours	100	100	100

REFORESTATION TRUST FUND

Program and Financing (in thousands of dollars)

Identification code	20-8046-0-7-302	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program	81,711	77,515	
01.01	Reimbursable program	9		
10.00	Total obligations	81,720	77,515	
Financing:				
Offsetting collections from:				
11.00	Federal funds	-1		
14.00	Non-Federal sources	-8		
21.40	Unobligated balance, start of year	-92,803	-45,900	
24.40	Unobligated balance available, end of year ..	45,900		
60.00	Budget authority (appropriation) (permanent)	34,808	31,615	
Relations of obligations to outlays:				
71.00	Obligations incurred, net	81,711	77,515	
90.00	Outlays	81,711	77,515	

Amounts from this account were used for reforestation as authorized by section 303 of the act of October 14, 1980 (16 U.S.C. 1606a (d) and (e)). Since the authority for this trust fund expires October 1, 1985, comparable funding for reforestation has been added to the National Forest System account.

Object Classification (in thousands of dollars)

Identification code	20-8046-0-7-302	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Permanent positions	20,673	8,783	
11.3	Positions other than permanent	8,744	4,717	
11.5	Other personnel compensation	1,637	298	
11.8	Special personal services payments	138	25	
11.9	Total personnel compensation	31,192	13,823	
12.1	Personnel benefits: Civilian	4,286	1,935	
13.0	Benefits for former personnel	1,026	415	
21.0	Travel and transportation of persons	1,112	1,484	
22.0	Transportation of things	634	846	
23.1	Standard level user charge	211	129	
23.2	Rent, communications, and utilities	1,636	417	
24.0	Printing and reproduction	146	196	
25.0	Other services	27,418	39,521	
26.0	Supplies and materials	7,552	10,096	
31.0	Equipment	2,073	2,772	
32.0	Lands and structures	4,377	5,846	
42.0	Insurance claims and indemnities	46	33	
44.0	Refunds	2	2	
99.0	Subtotal, direct obligations	81,711	77,515	
99.0	Reimbursable obligations	9		
99.9	Total obligations	81,720	77,515	

Personnel Summary

Direct:			
Total number of permanent positions	940	393	
Total compensable workyears:			
Full-time equivalent employment	1,635	690	
Full-time equivalent of overtime and holiday hours	76		
Reimbursable:			
Total number of permanent positions			
Total compensable workyears: Full-time equivalent employment			

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

Agriculture:

Agriculture Research Service.

Treasury: "Reforestation Trust Fund."

Interior:

Transportation: Federal Highway Administration, "Highways trust fund."

Labor: Employment and Training Administration, "Training and employment services."

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [179] 252 passenger motor vehicles of which [8] 13 will be used primarily for law enforcement purposes and of which [163] 233 shall be for replacement only, acquisition of [184] 161 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed [4] 2 for replacement only, and acquisition of [45] 43 aircraft from excess sources; *notwithstanding other provisions of law, existing aircraft being replaced may be sold with proceeds derived made available for the replacement aircraft, or trade-in value as part of the purchase price;* (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 for unemployment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the United States Forest Service, not in excess of \$400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); [and] (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) *for debt collection contracts in accordance with 31 U.S.C. 3718(c).*

[None of the funds made available under this Act shall be obligated or expended to adjust annual recreational residence fees to an amount greater than that annual fee in effect at the time of the next to last fee adjustment, plus 50 per centum. In those cases where the currently applicable annual recreational residence fee exceeds that adjusted amount, the Forest Service shall credit to the permittee that excess amount, times the number of years that that fee has been in effect, to offset future fees owed to the Forest Service.]

[Current permit holders who acquired their recreational residence permit after the next to last fee adjustment shall have their annual permit fee computed as if they had their permit prior to the next to last fee adjustment, except that no permittee shall receive an unearned credit.]

[None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, state and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.]

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction.

Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

[The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.]

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research and technical information and assistance in foreign countries.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest.

Provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) shall apply to appropriations available to the Forest Service only to the extent that the notice of proposed transfer is [approved by] transmitted to the House and Senate Committees on Appropriations [in compliance with the reprogramming procedures contained in House Report 97-942].

[No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.]

[Notwithstanding any delegations of authority provided for in the regulations of the Department of Agriculture or in the Forest Service manual, the Chief of the Forest Service shall, personally and without aid of mechanical devices or persons acting on his behalf, execute (1) all deeds conveying federally owned land which exceeds \$250,000 in value, (2) all acceptances of options on lands to be acquired which exceed \$250,000 in value, (3) all recommendations that condemnation be initiated, (4) all letters accepting donations of land, (5) all decisions on appeals of decisions related to land transactions made by regional foresters, and (6) land related transmittals to the House or Senate Committees on Appropriations, including all proposals for congressional action such as the acquisition of lands in excess of the approved appraised value, condemnation actions, and other items covered in reprogramming guidelines.]

[Not to exceed \$900,000 shall be available from National Forest System appropriations or permanent appropriations for the specific purpose of removing slash and cull logs from the Bull Run, Oregon, watershed to preserve water quality and reduce fire hazards.] *Appropriations made herein for expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California grant land fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund."*

TITLE VI—GENERAL PROVISIONS

A regular 1985 appropriation bill has not been enacted. The following general provisions were enacted by reference in a continuing resolution (Public Law 98-473).

SEC. 601. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 602. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year [1985] 1986 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [seven hundred thirty-four (734)] three hundred twenty-seven (327) passenger motor vehicles of which [seven hundred six (706)] three hundred fifteen (315) shall be for replacement only, and for the hire of such vehicles.

SEC. 603. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefore as authorized by law (5 U.S.C. 5901-5902).

SEC. 604. Not less than \$1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

SEC. 605. No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporations who harvest or knowingly permit to be harvested for illegal use, marihuana, or other such prohibited drug-producing plants on any part of lands owned or controlled by such persons or corporations.

SEC. 606. Advances of money from any appropriation in this Act for the Department of Agriculture may be made by authority of the Secretary of Agriculture to chiefs of field parties.

SEC. 607. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed \$2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 608. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Scientific Activities Overseas (Foreign Currency Program); Public Law 480; [Mutual and Self-Help Housing; Rural Housing for Domestic Farm Labor;] Watershed and Flood Prevention Operations; Re-

source Conservation and Development; Animal and Plant Health Inspection Service, Buildings and Facilities; Agricultural Stabilization and Conservation Service Salaries and Expenses funds made available to county committees; the Federal Crop Insurance Corporation Fund; and Building and Facilities; Food and Drug Administration.

SEC. 609. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 610. Not to exceed \$50,000 of the appropriation available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 611. Notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agricultural Stabilization and Conservation county committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise full utilized, and ceilings on full-time equivalent staff years established for or by the Department of Agriculture shall exclude overtime as well as staff years expended as a result of carrying out programs associated with natural disasters, such as forest fires, droughts, floods, and other acts of God.

[SEC. 612. Funds provided by this Act for personnel compensation and benefits shall be available for obligation for that purpose only.]

SEC. [613] 612. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract as provided by law.

[SEC. 614. None of the funds appropriated or otherwise made available by this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.]

[SEC. 615. Certificates of beneficial ownership sold by the Farmers Home Administration in connection with the Agricultural Credit Insurance Fund, Rural Housing Insurance Fund, and the Rural Development Insurance Fund shall be not less than 75 per centum of the value of the loan closed during the fiscal year.]

SEC. [616] 613. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

[SEC. 617. None of the funds in this Act shall be used to carry out any activity related to phasing out the Resource Conservation and Development Program.]

SEC. [618] 614. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices as authorized by law.

SEC. [619] 615. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

[SEC. 620. During fiscal year 1985, notwithstanding any other provision of law, no funds may be paid out of the Treasury of the United States or out of any fund of a Government corporation to any private individual or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation of the United States Government with respect to loans made and credits extended to the Polish People's Republic, unless the Polish People's Republic has been declared to be in default of its debt to such individual or corporation or unless the President has provided a monthly written report to the Speaker of

the House of Representatives and the President of the Senate explaining the manner in which the national interest of the United States has been served by any payments during the previous month under loan guarantee or credit assurance agreement with respect to loans made or credits extended to the Polish People's Republic in the absence of a declaration of default.]

SEC. [621] 616. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of Standard Level User Charges in excess of the amounts specified in this Act.

[SEC. 622. In fiscal year 1985, the Secretary of Agriculture shall initiate construction on not less than twenty new projects under the Watershed Protection and Flood Prevention Act (Public Law 566) and not less than five new projects under the Flood Control Act (Public Law 534).]

SEC. [623] 617. Funds provided by this Act may be used for translation of publications of the Department of Agriculture into foreign languages when determined by the Secretary to be in the public interest.

[SEC. 624. None of the funds appropriated by this or any other Act may be used to relocate the Hawaii State Office of the Farmers Home Administration from Hilo, Hawaii, to Honolulu, Hawaii.]

SEC. [625] 618. Provisions of law prohibiting or restricting personal services contracts shall not apply to veterinarians employed by the Department to take animal blood samples, test and vaccinate animals, and perform branding and tagging activities on a fee-for-service basis.

[SEC. 626. None of the funds provided in this Act may be used to reduce programs by establishing an end-of-year employment ceiling on full-time equivalent staff years below the level set herein for the following agencies: Farmers Home Administration, 11,700; Agricultural Stabilization and Conservation Service, 2,550; and Soil Conservation Service, 14,156.]

[SEC. 627. Notwithstanding section 502(d) of the Housing Act of 1949, from amounts made available for the Rural Housing Insurance Fund in this Act for fiscal year 1985, \$1,610,000,000 shall be made available for low-income borrowers and \$690,000,000 shall be made available for very low-income borrowers: *Provided*, That up to \$230,000,000 may be transferred from low-income amounts to very low-income amounts if the Secretary certifies that qualified applicants are available.]

[SEC. 628. The Secretary shall use the authority provided by law in 7 U.S.C. 1981a which provides:]

[LOAN MORATORIUM AND POLICY ON FORECLOSURES]

[In addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this chapter, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided*, That if the security instrument securing such loan is foreclosed such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.]

[The Secretary shall implement regulations pursuant to this section within sixty days of the enactment of this Act: *Provided*, That of the amount made available for guaranteed operating loans, not to exceed \$200,000,000 may be added to and used for guaranteed farm ownership loan purposes.]

Sec. 619. Notwithstanding the provisions of the Small Business Innovation Development Act, Public Law 97-219, the rate authorized in fiscal year 1986 for carrying out the Small Business Innovation Research Program shall not exceed the rate authorized for fiscal year 1985 for carrying out this program. (Public Law 98-473, making continuing appropriations for the fiscal year 1985.)

General and special funds—Continued

SALARIES AND EXPENSES—Continued

workshop sale of \$295 million to the Federal Government.

The committee staff supervises the selection and assignment of new commodities and services, assists in establishing prices, reviews and adjusts these prices, verifies the qualifications of workshops, and monitors their performance.

Object Classification (in thousands of dollars)

Identification code	95-2000-0-1-505	1984 actual	1985 est.	1986 est.
Personnel compensation:				
11.1	Full-time permanent.....	363	406	412
11.3	Other than full-time permanent.....	14	13	13
11.5	Other personnel compensation.....	2	4	4
11.9	Total personnel compensation.....	379	423	429
12.1	Personnel benefits: Civilian.....	40	45	45
21.0	Travel and transportation of persons.....	51	56	56
23.1	Standard level user charges.....	47	47	47
23.2	Communications, utilities, and other rent.....	24	33	37
24.0	Printing and reproduction.....	40	40	40
25.0	Other services.....	48	52	63
26.0	Supplies and materials.....	8	10	11
31.0	Equipment.....	34	4	2
99.9	Total obligations.....	671	710	730

Personnel Summary

Total number of full-time permanent positions.....	12	12	12
Total compensable workyears: Full-time equivalent employment.....	12	12	12

COMMODITY FUTURES TRADING COMMISSION

Federal Funds

General and special funds:

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed \$25,000 for employment under 5 U.S.C. 3109; [\$27,292,000] \$27,222,000; including not to exceed \$700 for official reception and representation expenses [and not to exceed \$2,957,000 for automated data processing].

Note.—A regular 1985 appropriation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) provides funds to the extent and in the manner provided for in the conference version of H.R. 5798, Treasury, Postal Service, and General Government Appropriations Act, 1985, as passed by the House of Representatives.

Program and Financing (in thousands of dollars)

Identification code	95-1400-0-1-376	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01	Market surveillance, analysis, and research.....	7,057	7,077	6,908
00.02	Enforcement.....	8,850	10,011	10,036
00.03	Registration, audits, and contract markets.....	8,295	7,815	7,649
00.04	Proceedings.....	2,485	2,661	2,629
00.91	Total direct program.....	26,687	27,564	27,222
01.01	Reimbursable program.....	35	24	24
10.00	Total obligations.....	26,722	27,588	27,246

Financing:

11.00	Offsetting collections from: Federal funds.....	—35	—24	—24
25.00	Unobligated balance lapsing.....	52		
39.00	Budget authority.....	26,739	27,564	27,222
Budget authority:				
40.00	Appropriation.....	26,739	27,292	27,222
44.20	Supplemental for civilian pay raises.....		272	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....	26,687	27,564	27,222
72.40	Obligated balance, start of year.....	2,208	3,984	4,397
74.40	Obligated balance, end of year.....	—3,984	—4,397	—4,805
77.00	Adjustments in expired accounts.....	104		
90.00	Outlays, excluding pay raise supplemental.....	25,015	26,883	26,810
91.20	Outlays from civilian pay raise supplemental.....		268	4

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended. The purpose of the CFTC is to further the economic utility of the futures markets by encouraging their efficiency, assuring their integrity, and protecting participants against abusive trade practices, fraud, and deceit. The object of commodity futures trading regulation is to enable the markets to better serve their designated functions of providing a price discovery mechanism and a means of offsetting price risk. By properly serving these functions, the futures markets serve the public interest by contributing toward better planning, more efficient distribution and consumption, and more economical marketing.

Market surveillance, analysis and research.—Responsibilities under this program include daily surveillance of the market activity of large individual traders and fundamental economic market factors to insure orderly markets. Contract terms and conditions are reviewed to insure conformity with current cash marketing conditions and adequate deliverable supplies. This program also systematically investigates the functioning of markets and market users and develops better tools to assist in detecting and preventing price distortions.

	1984 actual	1985 estimate	1986 estimate
Trader and broker reports analyzed (thousands).....	721	737	640
Weekly surveillance sheets analyzed.....	1,763	2,100	1,780
Economic review of contract rule changes completed.....	51	60	70
Economic review of new futures contracts completed.....	8	15	17
Economic review of option rule changes completed.....	9	25	10
New options contract reviews completed.....	2	10	

Enforcement.—The enforcement program is responsible for detecting, investigating, and litigating violations of the Act or regulations. These violations may include actual and attempted market manipulations, cheating and defrauding customers, and abusive trading practices such as fictitious trading, wash trading, and prearranged trading. This program may seek redress through the administrative process or by injunctive actions in the Federal Courts.

	1984 actual	1985 estimate	1986 estimate
Investigations:			
Open.....	85	55	35
Closed.....	50	30	25
Cases:			
Open.....	73	80	50
Closed.....	84	50	42

Registration, audits, and contract markets.—This program prevents misuse of customers' funds by futures commission merchants; assures that the rules and practices of the contract markets are in compliance with the provisions of the Commodity Exchange Act and the rules of the Commission; and performs an oversight role of the National Futures Association's registration of individuals and firms under provisions of the act.

	1984 actual	1985 estimate	1986 estimate
Audits and financial inspections of futures commission merchants.....	28	36	28
Contract market rules reviewed.....	988	950	800
Financial examinations of commodity pool operators.....	22	20	17
Registrations.....	54,549	18,000	8,000
Contract market rule enforcement reviews completed.....	7	6	5
Trade practice investigations completed.....	43	100	85
Self-Regulatory Organization: Financial rule enforcement reviews.....	5	6	5
Sales practice rule enforcement reviews.....	6	5	6

Proceedings.—The proceedings program provides a forum for resolution of customer complaints against persons or firms registered under the Commodity Exchange Act.

	1984 actual	1985 estimate	1986 estimate
Reparations:			
Received and docketed.....	522	600	600
Dismissed.....	256	150	150
Referred for hearing.....	286	450	275
Pending.....	267	267	442

Object Classification (in thousands of dollars)

Identification code	1984 actual	1985 est.	1986 est.
95-1400-0-1-376			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	15,014	17,013	14,892
11.3 Other than full-time permanent.....	369	236	229
11.5 Other personnel compensation.....	304	255	341
11.8 Special personal services payments.....	49	4	5
11.9 Total personnel compensation.....	15,736	17,508	15,467
12.1 Personnel benefits: Civilian.....	1,659	2,064	1,872
13.0 Benefits for former personnel.....	80		
21.0 Travel and transportation of persons.....	646	590	509
22.0 Transportation of things.....	25	48	51
23.2 Communications, utilities, and other rent.....	4,192	4,322	5,559
24.0 Printing and reproduction.....	213	270	343
25.0 Other services.....	2,568	1,718	1,855
26.0 Supplies and materials.....	379	322	343
31.0 Equipment.....	1,183	722	1,223
42.0 Insurance claims and indemnities.....	6		
99.0 Subtotal, direct obligations.....	26,687	27,564	27,222
99.0 Reimbursable obligations.....	35	24	24
99.9 Total obligations.....	26,722	27,588	27,246

Personnel Summary

Total number of full-time permanent positions.....	557	567	567
Total compensable workyears:			
Full-time equivalent employment.....	492	525	453
Full-time equivalent of overtime and holiday hours.....	8	6	6

COMMUNITY SERVICES ADMINISTRATION

Federal Funds

General and special funds:

COMMUNITY SERVICES PROGRAM

Program and Financing (in thousands of dollars)

Identification code	81-0500-0-1-506	1984 actual	1985 est.	1986 est.
Relation of obligations to outlays:				
71.00 Obligations incurred, net.....				
72.40 Obligated balance, start of year.....		14,807	4,315	
74.40 Obligated balance, end of year.....		-4,315		
77.00 Adjustments in expired accounts.....		-22,112		
90.00 Outlays.....		-11,620	4,315	

These funds represent expenditures of obligations made by the Community Services Administration prior to 1982. Since 1982, community services have been funded by the community services and social services block grants administered by the Department of Health and Human Services.

CONSUMER PRODUCT SAFETY COMMISSION

Federal Funds

General and special funds:

[SALARIES AND EXPENSES] PRODUCT SAFETY

For necessary expenses of the Consumer Product Safety Commission, including [hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, and] not to exceed \$500 for official reception and representation expenses, [\$36,000,000] \$33,700,000]: Provided, That funds provided by this appropriation for laboratories shall be available only for the acquisition or conversion of existing laboratories]. (Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1985.)

Program and Financing (in thousands of dollars)

Identification code	61-0100-0-1-554	1984 actual	1985 est.	1986 est.
Program by activities:				
Direct program:				
00.01 Commission policy development and direction.....		3,828	4,021	3,672
Product safety and enforcement:				
01.01 Office of the executive director.....		1,337	1,191	1,093
01.02 Hazard programs.....		9,702	10,710	9,174
01.03 Hazard identification and analysis.....		3,088	3,443	3,231
01.04 Engineering and sciences.....		947	849	1,020
01.05 Information and education.....		1,982	1,950	1,631
01.06 Compliance and enforcement.....		2,764	2,982	2,919
01.07 Field activities.....		6,746	7,226	7,329
01.91 Subtotal, product safety and enforcement.....		26,566	28,351	26,397
02.01 Administration and general support.....		4,578	3,628	3,631
03.00 Total direct program.....		34,972	36,000	33,700
03.01 Reimbursable program.....		419	400	400
10.00 Total obligations.....		35,391	36,400	34,100
Financing:				
11.00 Offsetting collections from: Federal funds...		-419	-400	-400
25.00 Unobligated balance lapsing.....		278		
40.00 Budget authority (appropriation) ..		35,250	36,000	33,700
Relation of obligations to outlays:				
71.00 Obligations incurred, net.....		34,972	36,000	33,700

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

Object Classification (in thousands of dollars)

Identification code	83-4027-0-3-155	1984 actual	1985 est.	1986 est.
	Personnel compensation:			
11.1	Full-time permanent.....	11,071	11,727	11,256
11.3	Other than full-time permanent	293	303	302
11.5	Other personnel compensation	341	298	288
11.9	Total personnel compensation.....	11,705	12,328	11,846
12.1	Personnel benefits: Civilian.....	1,237	1,352	1,358
21.0	Travel and transportation of persons.....	410	453	400
22.0	Transportation of things	16	15	10
23.1	Standard level user charges.....	1,030	2,436	2,332
23.2	Communications, utilities, and other rent....	1,069	1,110	959
24.0	Printing and reproduction.....	135	118	97
25.0	Other services	800	795	749
26.0	Supplies and materials	311	293	249
93.0	Administrative expenses included in schedule for fund as a whole.....	—16,713	—18,900	—18,000
99.9	Total obligations.....			

Personnel Summary

Total number of full-time permanent positions.....	327	330	324
Total compensable workyears:			
Full-time equivalent employment	341	345	339
Full-time equivalent of overtime and holiday hours	2	2	2

INTEREST RATE SUBSIDY PROGRAM

Program and Financing (in thousands of dollars)

Identification code:	83-4028-2-3-155	1984 actual	1985 est.	1986 est.
10.00	Total obligations (object class 410)			1,260
14.00	Offsetting collections.....			—6,000
24.98	Unobligated balance, end of year			4,740
47.00	Budget authority (authority to borrow)			
	Relation of obligations to outlays:			
71.00	Obligations incurred, net			—4,740
90.00	Outlays			—4,740

The purpose of this interest rate subsidy program is to enable the Bank to respond selectively to confirmed officially subsidized export credit competition, and to further the Administration's efforts to seek international agreement to the elimination of all officially subsidized export credits.

FARM CREDIT ADMINISTRATION

Federal Funds

Public enterprise funds:

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Not to exceed **[\$22,092,000]** \$21,175,000 (from assessments collected from farm credit system banks) shall be obligated during the current fiscal year for administrative expenses [including the hire of three passenger motor vehicles], as authorized under 12 U.S.C. 2249.

Note.—A regular 1985 limitation for this account had not been enacted at the time this budget was prepared. A continuing resolution (Public Law 98-473) limits funds through September 30, 1985, at a rate consistent with amounts that would be provided by the conference version of H.R. 5743, making appropriations for Agriculture, Rural Development, and Related Agencies, 1985.

Program and Financing (in thousands of dollars)

Identification code	78-4131-0-3-351	1984 actual	1985 est.	1986 est.
	Program by activities:			
10.00	Total obligations	20,326	20,182	21,175
	Financing:			
14.00	Offsetting collections from: Non-Federal sources	—19,681	—20,154	—21,175
	Unobligated balance available, start of year: Fund balance:			
21.98	Unreserved.....	—829	—277	
21.98	Reserved.....	—5,138	—5,045	—5,294
	Unobligated balance available, end of year: Fund balance:			
24.98	Unreserved.....	277		
24.98	Reserved.....	5,045	5,294	5,294
39.00	Budget authority			
Limitation.....		20,551	22,092	21,175
	Relation of obligations to outlays:			
71.00	Obligations-incurred, net	645	28	
72.10	Receivables in excess of obligations, start of year.....	—1,141		
72.40	Obligated balance, start of year		1,639	1,639
74.40	Obligated balance, end of year.....	—1,639	—1,639	—1,639
90.00	Outlays.....	—2,135	28	

The Administration supervises a coordinated agricultural credit system of farm credit banks and associations which make credit available to farmers and their cooperatives.

Assessments based upon estimated administrative expenses are collected from institutions in the farm credit system and are available for administrative expenses. Obligations are incurred within fiscal year budgets approved by the Federal Farm Credit Board.

Provision is made for supervision and examination by the Farm Credit Administration of the Farm Credit System institutions. The operating expenses of the Farm Credit Administration are paid by the system institutions through assessments which are deposited in a revolving fund in the Treasury and are available for the use of FCA. System institutions are funded through the sale of their bonds and discount notes in the public money markets without the guarantee of the U.S. Government.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss:			
Revenue.....	20,603	20,182	21,175
Expense.....	—20,804	—20,182	—21,175
Net income for the year.....	—201		

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Fund balance with Treasury.....	4,827	6,961	6,933	6,933
Accounts receivable (net).....	4,357	3,403	3,403	3,403
Advances made	187	307	307	307

Total assets.....	9,371	10,671	10,643	10,643
Liabilities:				
Accounts payable including funded				
accrued liabilities.....	2,460	4,884	4,884	4,884
Advances from the public.....	5,138	5,045	5,294	5,294
Total liabilities.....	7,598	9,929	10,178	10,178
Government equity:				
Unexpended balances:				
Unobligated balance:				
Unreserved.....	829	277		
Reserved.....	5,138	5,045	5,294	5,294
Undelivered orders.....	943	465	465	465
Unfilled customers' orders.....	-5,138	-5,045	-5,294	-5,294
Total Government equity.....	1,773	742	465	465
Analysis of changes in Government equity:				
Retained income:				
Opening balance.....		1,773	742	465
Transactions: Net operating income.....		-201		
Refund of prior period assessments.....		-830	-277	
Closing balance.....		742	465	465
Total Government equity (end of year).....		742	465	465

Object Classification (in thousands of dollars)

Identification code 78-4131-0-3-351	1984 actual	1985 est.	1986 est.
Personnel compensation:			
11.1 Full-time permanent.....	9,258	10,479	11,385
11.3 Other than full-time permanent.....	631	576	590
11.5 Other personnel compensation.....	199	251	283
11.8 Special personal services payments.....	156	245	263
11.9 Total personnel compensation.....	10,244	11,551	12,521
12.1 Personnel benefits: Civilian.....	1,415	1,617	1,714
13.0 Benefits for former personnel.....	48	107	
21.0 Travel and transportation of persons.....	2,115	2,749	3,015
22.0 Transportation of things.....	162	58	38
23.2 Communications, utilities, and other rent....	1,113	689	647
24.0 Printing and reproduction.....	264	224	246
25.0 Other services.....	2,967	2,281	2,215
26.0 Supplies and materials.....	689	450	478
31.0 Equipment.....	1,309	456	301
99.9 Total obligations.....	20,326	20,182	21,175

Personnel Summary

Total number of full-time permanent positions.....	287	287	292
Total compensable workyears:			
Full-time equivalent employment.....	288	310	315
Full-time equivalent of overtime and holiday hours.....	2	1	1

BANKS FOR COOPERATIVES INVESTMENT FUND

Program and Financing (in thousands of dollars)

Identification code 78-4136-0-3-351	1984 actual	1985 est.	1986 est.
Financing:			
21.98 Unobligated balance available, start of year: Fund balance.....	-148,091	-148,091	-148,091
24.98 Unobligated balance available, end of year: Fund balance.....	148,091	148,091	148,091
25.00 Unobligated balance lapsing.....		148,091	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....			
90.00 Outlays			

This fund is available to the Governor of the Farm Credit Administration for investment in class A capital stock of the banks for cooperatives (12 U.S.C. 2152b).

Budget program.—The last of the U.S. Government's investment in these banks was retired on December 31, 1968, thus making them all privately owned. No reinvestment of Government capital in any of the banks is anticipated in the near future.

SHORT-TERM CREDIT INVESTMENT FUND

Program and Financing (in thousands of dollars)

Identification code 78-4139-0-3-351	1984 actual	1985 est.	1986 est.
Financing:			
21.98 Unobligated balance available, start of year: Fund balance.....	-111,708	-111,708	-111,708
24.98 Unobligated balance available, end of year: Fund balance.....	111,708	111,708	111,708
25.00 Unobligated balance, lapsing.....		111,708	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....			
90.00 Outlays			

This fund is available to the Governor of the Farm Credit Administration as a revolving fund for investment in the class A capital stock of the Federal intermediate credit banks and class A and class C stock of the production credit associations (12 U.S.C. 2152a).

Budget program.—On December 31, 1968, the Government's investment in the class A stock of the banks was retired in full, thus making them privately owned. Also, the last of the Government's investment in the production credit associations was repaid. No reinvestment of Government capital in any of the banks or associations is anticipated in the near future.

FEDERAL COMMUNICATIONS COMMISSION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses for the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by law (5 U.S.C. 5901-02); not to exceed **[\$200,000]** \$600,000 for land and structures; not to exceed \$200,000 for improvement and care of grounds and repair to buildings; not to exceed \$3,000 for official reception and representation expenses; purchase not to exceed **[twelve]** ten and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; **[\$93,611,000]** \$92,285,000. Not to exceed \$300,000 of the foregoing amount shall remain available until September 30, **[1986]** 1987, for research and policy studies. (*Department of Commerce and Related Agencies Appropriation Act, 1985; additional authorizing legislation to be proposed.*)

Program and Financing (in thousands of dollars)

Identification code 27-0100-0-1-376	1984 actual	1985 est.	1986 est.
Program by activities:			
Direct program:			
00.01 Commissioners.....	2,196	2,125	2,257
00.02 Mass media.....	19,513	21,453	21,020
00.03 Common carrier.....	16,619	18,656	18,660
00.04 Private radio.....	9,272	9,797	9,489

EXPLANATION OF REQUESTS

This part contains supplemental appropriations requests for 1985 being proposed for congressional consideration in this budget. Requests for supplemental appropriations are usually made after enactment of regular appropriations. In cases where programs are funded under a continuing resolution, some requests are included to supplement the funding available under the resolution. Information is also included on proposals to rescind budget authority and to rescind or otherwise reduce the availability of other budgetary resources.

PROPOSED SUPPLEMENTAL REQUESTS

Supplemental requests are shown as separate sections.

Section I.—Supplementals proposed in this budget for various purposes other than increased pay costs are presented in this section and usually include: suggested appropriation language, the related budget schedules, and the reasons for the requests. In some cases, language is proposed to reduce mandatory program levels (entitlements, for example) included in authorizing legislation. In such cases, separate budget schedules are not shown, but the reduced funding levels that would result are reflected in the regular budget schedules for the account in Part I. Language is also included to

propose reductions in enacted direct loan and guaranteed loan limitations. A status of direct loans or status of guaranteed loans schedule will show the changes in credit activity resulting from the lower limitation.

Section II.—Requests for pay supplementals in this section are in the form of suggested appropriations language. The amounts contained in the appropriations language also appear as separate line entries in the regular program and financing schedules in Part I.

RESCISSION PROPOSALS

Section III.—Under the provisions of the Impoundment Control Act of 1974 (Public Law 93-344), whenever the President proposes rescission of enacted appropriations, a special message must be sent to the Congress giving details of the proposal. Included in this part—for rescission proposals being made in conjunction with this budget—are related budget schedules, references to the special message being sent to the Congress, and explanations of the proposals. This part also includes rescissions proposed for certain categories (e.g., travel, consulting services, etc.) included in section 2901 of the Deficit Reduction Act of 1984 (Public Law 98-369).

PROPOSED SUPPLEMENTALS AND RESCISSION PROPOSALS

SUMMARY OF PROPOSED SUPPLEMENTALS AND RESCISSION PROPOSALS

1985 requests			1985 requests		
	1985 budget authority	Associated requests not affecting budget authority		1985 budget authority	Associated requests not affecting budget authority
PROPOSED SUPPLEMENTAL ACTIONS			SECTION II—INCREASED PAY COSTS FOR THE FISCAL YEAR 1985		
SECTION I—PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR VARIOUS PROGRAMS [EXCLUDING REQUESTS FOR INCREASED PAY COSTS]			PROPOSED SUPPLEMENTAL ACTIONS		
Legislative branch	26,269,000		General Services Administration	4,400,000	
The Judiciary	45,460,000		National Aeronautics and Space Administration	23,300,000	
Funds Appropriated to the President	263,036,000		Office of Personnel Management	917,000	
Department of Agriculture	633,529,000	16,000,000	Veterans Administration	80,456,000	
Department of Commerce	5,896,000		Other independent agencies	13,688,000	2,472,000
Department of Education	680,046,000	language			
Department of Health and Human Services	3,543,904,000		Total, section II	2,456,601,000	30,214,000
Department of Housing and Urban Development		language			
Department of the Interior	7,594,000	25,066,000	SECTION IV—RESCISSION PROPOSALS*		
Department of Justice	39,801,000	—12,226,000	Funds Appropriated to the President	—105,399,000	—838,000
Department of Labor		—13,298,000	Department of Agriculture	—310,218,000	—16,981,000
Department of State	277,320,000		Department of Commerce	—325,371,000	—27,706,000
Department of Transportation	17,156,000	7,200,000	Department of Defense—Civil	—16,200,000	—3,900,000
Department of the Treasury	32,200,000		Department of Education	—173,939,000	
General Services Administration		2,200,000	Department of Energy	—21,112,000	—1,039,000
Office of Personnel Management	40,965,000		Department of Health and Human Services	—26,838,000	
Veterans Administration	219,200,000		Department of Housing and Urban Development	—260,057,000	
Other independent agencies	8,274,000	6,086,000	Department of the Interior	—72,389,000	—2,951,000
Total, section I	5,840,650,000	31,028,000	Department of Justice	—13,659,000	
			Department of Labor	—275,566,000	—228,000
SECTION II—INCREASED PAY COSTS FOR THE FISCAL YEAR 1985			Department of State	—2,432,000	
Legislative branch	24,600,000		Department of Transportation	—49,327,000	—685,000
The Judiciary	15,003,000		Department of the Treasury	—9,530,000	
Executive Office of the President	734,000		Environmental Protection Agency	—13,401,000	
Department of Agriculture	24,430,000	8,796,000	General Services Administration	—2,841,000	—34,683,000
Department of Defense—Military	2,164,836,000		National Aeronautics and Space Administration	—4,000,000	
Department of Defense—Civil	377,000	5,200,000	Office of Personnel Management	—1,161,000	
Department of Energy	2,122,000		Small Business Administration	—3,781,000	
Department of Housing and Urban Development		language	Veterans Administration	—17,404,000	
Department of the Interior		5,000,000	Other independent agencies	—12,750,000	
Department of Justice	48,388,000	1,636,000			
Department of Labor	7,422,000		Total, rescission proposals	—1,717,375,000	—89,011,000
Department of Transportation		2,710,000	Grand total	6,579,876,000	—27,769,000

*The second column lists proposed rescissions of 1985 unobligated balances.

This request would finance the 1985 installment of the unfunded liability created by the addition of Agency for International Development Foreign Service personnel to the Foreign Service retirement system and by subsequent salary increases and changes in legislation affecting benefits.

Department of Agriculture STATISTICAL REPORTING SERVICE

(Supplemental now requested, existing legislation)

For an additional amount for "Statistical Reporting Service", for the *Quarterly Farm Labor Survey*, \$1,560,000.

Program and Financing (in thousands of dollars)

Identification code	12-1801-1-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Crop and livestock estimates (total obligations)		1,560	
Financing:				
40.00	Budget authority (appropriation)		1,560	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		1,560	
90.00	Outlays		1,560	

The proposed supplemental would provide funds to reestablish the *Quarterly Farm Labor Survey*.

Object Classification (in thousands of dollars)

Identification code	12-1801-1-1-352	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Permanent positions		159	
12.1	Personnel benefits: Civilian		22	
21.0	Travel and transportation of persons		7	
22.0	Transportation of things		1	
23.2	Communications, utilities, and other rent		20	
24.0	Printing and reproduction		2	
25.0	Other services		1,338	
26.0	Supplies and materials		4	
31.0	Equipment		7	
99.9	Total obligations		1,560	

Personnel Summary

Total number of full-time permanent positions	6
Total compensable workyears: Full-time equivalent employment	6

FOREIGN ASSISTANCE PROGRAMS

PUBLIC LAW 480

(Supplemental now requested, existing legislation)

For an additional amount for "Public Law 480," for commodities supplied in connection with dispositions abroad, pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, \$201,000,000, of which \$16,000,000 shall be derived from unobligated balances in the commodity credit corporation.

Program and Financing (in thousands of dollars)

Identification code	12-2274-1-1-151	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 25.0)		201,000	
Financing:				
22.40	Unobligated balance transferred, net		-16,000	
40.00	Budget authority (appropriation) ..		185,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		201,000	
90.00	Outlays		201,000	

This urgent supplemental request would provide emergency funds for African drought food aid relief.

FEDERAL CROP INSURANCE CORPORATION

SUBSCRIPTION TO CAPITAL STOCK

(Supplemental now requested, existing legislation)

To enable the Secretary of the Treasury to subscribe and pay for capital stock of the Federal Crop Insurance Corporation, as provided in section 504(a) of the Federal Crop Insurance Act (7 U.S.C. 1504), \$50,000,000.

Program and Financing (in thousands of dollars)

Identification code	12-2708-1-1-351	1984 actual	1985 est.	1986 est.
Financing:				
39.00	Budget authority			
Budget authority:				
40.00	Appropriation		50,000	
41.00	Transferred to other accounts		-50,000	
43.00	Appropriation (adjusted)			
Relation of obligations to outlays:				
71.00	Obligations incurred, net			
90.00	Outlays			

This appropriation would enable the Secretary of the Treasury to subscribe and pay for the final \$50 million in capital stock of the Federal Crop Insurance Corporation. The Federal Crop Insurance Act of 1980, as amended, authorized the capitalization of the Federal Crop Insurance Corporation up to \$500 million. This \$50 million in capital stock authorization is necessary to place the Corporation on a sound financial basis in order to meet the contractual commitments to insured producers.

FEDERAL CROP INSURANCE CORPORATION FUND

(Supplemental now requested, existing legislation)

Program and Financing (in thousands of dollars)

Identification code	12-4085-1-3-351	1984 actual	1985 est.	1986 est.
Financing:				
21.98	Unobligated balance available, start of year: Fund balance			-50,000
24.98	Unobligated balance available, end of year: Fund balance		50,000	50,000
39.00	Budget authority		50,000	

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-4085-1-3-351	1984 actual	1985 est.	1986 est.
Budget authority:				
42.00	Transferred from other accounts		50,000	
43.00	Appropriation (adjusted)		50,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net			
90.00	Outlays			

This schedule reflects the payment of the final \$50 million subscription for capital stock for the Corporation.

FARMERS HOME ADMINISTRATION

SALARIES AND EXPENSES

(Supplemental now requested, existing legislation)

For an additional amount for "Salaries and expenses", \$16,866,000.

Program and Financing (in thousands of dollars)

Identification code	12-2001-1-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		16,866	
Financing:				
40.00	Budget authority (appropriation)		16,866	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		16,866	
72.40	Obligated balance, start of year			843
74.40	Obligated balance, end of year		-843	
90.00	Outlays		16,023	843

This supplemental request would provide funds to cover increased costs related to the implementation of the Emergency Agricultural Credit Act and the Rural Housing Amendments of 1984; as well as for the implementation of substantial changes in the Farmers Home Administration's loan servicing process as required by a court decision.

Object Classification (in thousands of dollars)

Identification code	12-2001-1-1-452	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent		13,407	
12.1	Personnel benefits: Civilian		1,669	
21.0	Travel and transportation of persons		674	
23.2	Communications, utilities, and other rent		300	
25.0	Other services		715	
26.0	Supplies and materials		101	
99.9	Total		16,866	

Personnel Summary

Total number of full-time permanent position	540	
Total compensable workyears: Full-time equivalent employment	518	

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

(Supplemental now requested, existing legislation)

For an additional amount for the "Food stamp program", \$318,856,000.

Program and Financing (in thousands of dollars)

Identification code	12-3505-1-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Benefits (total obligations) (object class 41.0)		318,856	
Financing:				
40.00	Budget authority (appropriation)		318,856	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		318,856	
72.40	Obligated balance, start of year			10,842
74.40	Obligated balance, end of year		-10,842	
90.00	Outlays		308,014	10,842

The proposed supplemental would provide benefits to eligible recipients.

FOREST SERVICE

NATIONAL FOREST SYSTEM

(Supplemental now requested, existing legislation)

For an additional amount for "National forest system", \$61,247,000.

Program and Financing (in thousands of dollars)

Identification code	11-1106-1-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Direct program		61,247	
01.01	Reimbursable program		4,037	
10.00	Total obligations		65,284	
Financing:				
Offsetting collections from:				
11.01	Federal funds		-16	
14.00	Non-Federal sources		-4,021	
40.00	Budget authority (appropriation)		61,247	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		61,247	
90.00	Outlays		61,247	

These funds would be used to provide for the costs of fighting forest fires in 1984.

Object Classification (in thousands of dollars)

Identification code	11-1106-1-1-302	1984 actual	1985 est.	1986 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent		2,400	
11.3	Positions other than permanent		1,757	
11.5	Other personnel compensation		19,772	
11.8	Special personal services payments		3,673	
11.9	Total personnel compensation		27,602	
12.1	Personnel benefits: Civilian		1,224	
21.0	Travel and transportation of persons		3,905	
22.0	Transportation of things		771	
23.2	Communications, utilities, and other rents		973	

24.0	Printing and reproduction	11	.....
25.0	Other services	16,320	.....
26.0	Supplies and materials	9,929	.....
31.0	Equipment	490	.....
42.0	Insurance claims and indemnities	22	.....
99.0	Subtotal, direct obligations	61,247	.....
99.0	Reimbursable obligations	4,037	.....
99.9	Total obligations	65,284	.....

Personnel Summary

Total compensable workyears:	
Full-time equivalent employment	234
Full-time equivalent of overtime and holiday pay	722

Department of Commerce

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

(Supplemental now requested, existing legislation)

For an additional amount for "Salaries and expenses", \$992,000.

Program and Financing (in thousands of dollars)

Identification code	13-0120-1-1-376	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		992	.....
Financing:				
40.00	Budget authority (appropriation)		992	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		992	.....
72.40	Obligated balance, start of year			99
74.40	Obligated balance, end of year		-99	.....
90.00	Outlays		893	99

This proposed supplemental would provide for the cost of converting the Department of Commerce's payroll/personnel system to a standardized computer based system.

Object Classification (in thousands of dollars)

Identification code	13-0120-1-1-376	1984 actual	1985 est.	1986 est.
Direct obligations:				
21.0	Travel and transportation of persons		61	.....
25.0	Other services		912	.....
31.0	Equipment		19	.....
99.9	Total		992	.....

[ECONOMIC DEVELOPMENT ADMINISTRATION] GENERAL ADMINISTRATION

[ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS]

(Supplemental language now requested, existing legislation)

During fiscal year 1985, no new commitments to guarantee loans may be made.

Status of Guaranteed Loans (in thousands of dollars)

Identification code	13-2050-1-1-452	1984 actual	1985 est.	1986 est.
2111	Limitation on commitments: Loans by private lenders		-167,000	.....
2190	Unused balance of limitation, expiring		-167,000	.....

This reduction in the guaranteed loan limitation is part of an overall proposal to terminate the activity in this account. A rescission of budget authority is included elsewhere in Part II.

INTERNATIONAL TRADE ADMINISTRATION**OPERATIONS AND ADMINISTRATION**

(Supplemental language now requested, existing legislation)

During fiscal year 1985, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed \$500,000 and total commitments to guarantee loans may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed \$6,667,000.

Status of Direct Loans (in thousands of dollars)

Identification code	13-1250-1-1-376	1984 actual	1985 est.	1986 est.
Position with respect to limitation on obligations:				
1110	Limitation on obligations		-6,000	.....
1151	Obligations incurred, gross: Direct loans to the public		-6,000	.....
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year			-6,000
1231	New loans: Disbursements for direct loans		-6,000	.....
1264	Adjustments: Transfer to miscellaneous appropriations			6,000
1290	Outstanding, end of year		-6,000	.....

Status of Guaranteed Loans (in thousands of dollars)

Position with respect to limitation on commitments:				
2111	Limitations on commitments: Loans by private lenders		-10,000	.....
2151	New commitments made, gross: Loans by private lenders		-10,000	.....
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year			-10,000
2231	Loans guaranteed: New loans guaranteed		-10,000	.....
2264	Adjustments: Transfer to miscellaneous appropriations			10,000
2290	Outstanding, end of year		-10,000	.....

MEMORANDUM

2299	U.S. contingent liability for guaranteed loans outstanding, end of year		-9,000
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The reductions in direct and guaranteed loan programs are part of an overall proposal to reduce Trade Adjustment Assistance for firms. It is accompanied by a rescission of budget authority included elsewhere in Part II.

OPERATIONS AND FACILITIES—Continued

Canal operating revenues to the Republic of Panama. The estimated 1984 surplus is subject to adjustment pending completion by the General Accounting Office of an audit of the financial statement of the Commission. By diplomatic note, the United States has agreed to make the required payment to Panama by April 30, 1985.

In addition, this request would permit the Commission to continue to replace equipment and facilities in line with its long-term goal of maintaining the Canal's facilities and improving the efficiency and safety of Canal transit service.

Object Classification (in thousands of dollars)

Identification code	95-5190-1-2-403	1984 actual	1985 est.	1986 est.
25.0	Other services		2,186	
31.0	Equipment		3,230	
32.0	Lands and structures		670	
99.9	Total obligations		6,086	

RAILROAD RETIREMENT BOARD

LIMITATION ON ADMINISTRATION

(Supplemental language now requested, existing legislation)

The limitation on administrative expenses for "Limitation on Administration" contained in Public Law 98-619, shall be reduced to \$52,324,000.

This proposed limitation reduction reflects reduced obligations primarily due to more accurate expenditure estimates for personnel compensation and benefits, as a result of fund lapses in 1983 and 1984, and other economies by the Board in a contribution to deficit reduction.

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE
ADMINISTRATION FUND

(Supplemental language now requested, existing legislation)

The limitation on further administrative expenses for "Limitation on Railroad Unemployment Insurance Administration Fund", contained in Public Law 98-619, shall be reduced to \$16,176,000.

This proposed limitation reduction reflects reduced obligations primarily due to more accurate expenditure estimates for personnel compensation and benefits, as a result of fund lapses in 1983 and 1984, and other economies by the Board in a contribution to deficit reduction.

SECTION II—INCREASED PAY COSTS FOR THE
FISCAL YEAR 1985

For additional amounts for appropriations for the fiscal year 1985, for increased pay costs authorized by or pursuant to law as follows:

LEGISLATIVE BRANCH

Senate:

"Salaries, officers and employees", \$4,301,000;
"Office of Legislative Counsel of the Senate", \$37,000;
"Senate policy committees", \$50,000;

House of Representatives:

"House leadership offices", \$91,000;
"Salaries, officers and employees", \$1,176,000;

"Committee employees", \$1,012,000;
"Committee on Appropriations (Studies and investigations)", \$16,000;
"Member's clerk hire", \$4,136,000;
"Special and select committees", \$970,000;
"Allowances and expenses", \$844,000;

Joint Items:

"Joint Economic Committee", \$75,000;
"Joint Committee on Printing", \$23,000;
"Capitol Guide Service", \$20,000;

Congressional Budget Office: "Salaries and expenses", \$245,000;

Architect of the Capitol:

Office of the Architect of the Capitol: "Salaries", \$119,000;
"Capitol buildings", \$154,000;
"Capitol grounds", \$53,000;
"Senate office buildings", \$260,000;
"House office buildings", \$340,000;
"Capitol power plant", \$70,000;
"Structural and mechanical care, library buildings and grounds", \$90,000;

Library of Congress:

"Salaries and expenses", \$2,610,000;
Copyright Office: "Salaries and expenses", \$399,000;
Congressional Research Service: "Salaries and expenses", \$917,000;
Books for the blind and physically handicapped: "Salaries and expenses", \$106,000;
"Collection and distribution of library materials (special foreign currency program)", \$11,000 to remain available until expended;

Government Printing Office:

Office of Superintendent of Documents: "Salaries and expenses", \$109,000;

General Accounting Office: "Salaries and expenses", \$5,674,000;

United States Tax Court: "Salaries and expenses", \$350,000;

Other Legislative Branch Agencies:

Botanic Garden: "Salaries and expenses", \$36,000;
Office of Technology Assessment: "Salaries and expenses", \$306,000.

THE JUDICIARY

Supreme Court of the United States:

"Salaries and expenses", \$281,000;
"Care of the building and grounds", \$20,000;

United States Court of Appeals for the Federal Circuit:
"Salaries and expenses", \$87,000;

United States Court of International Trade: "Salaries and expenses", \$98,000;

Courts of Appeals, District Courts, and Other Judicial Services:

"Salaries of judges", \$1,910,000;
"Salaries of supporting personnel", \$9,150,000;
"Defender services", \$375,000;
"Bankruptcy Courts: Salaries and expenses", \$2,540,000;

Administrative Office of the United States Courts: "Salaries and expenses", \$452,000;

Federal Judicial Center: "Salaries and expenses", \$90,000.

EXECUTIVE OFFICE OF THE PRESIDENT

White House Office: "Salaries and expenses", \$204,000;
Executive Residence at the White House: "Operating expenses", \$57,000;

Special Assistance to the President: "Salaries and expenses", \$13,000;

"Council on Environmental Quality and Office of Environmental Quality", \$5,000

Office of Administration: "Salaries and expenses", \$68,000;

Office of Management and Budget:
 "Salaries and expenses", \$352,000;
 "Office of Federal Procurement Policy: Salaries and expenses", \$15,000;
 Office of Science and Technology Policy: "Salaries and expenses", \$20,000;

DEPARTMENT OF AGRICULTURE

"Office of the Secretary", \$129,000;
 "Departmental Administration", for budget and program analysis \$45,000; for personnel, finance and management, operations, information resources management, equal opportunity, small and disadvantaged business utilization, and administrative law judges and judicial officer, \$255,000; making a total of \$300,000;
 "Office of Governmental and Public Affairs", for public affairs \$53,000; for congressional relations, \$7,000; and for intergovernmental affairs, \$2,000;
 "Office of the Inspector General", \$431,000 *to be derived by transfer from the appropriation "Food stamp program" and merged with this appropriation*;
 "Office of the General Counsel", \$206,000;
 "National Agricultural Library", \$64,000;
 Statistical Reporting Service: "Salaries and expenses", \$538,000;
 Economic Research Service: "Salaries and expenses", \$489,000;
 "World Agricultural Outlook Board", \$34,000;
 "Foreign Agricultural Service", \$274,000; Not to exceed an additional \$54,000 may be transferred from the Commodity Credit Corporation funds to support the General Sales Manager;
 Federal Crop Insurance Corporation: "Administrative and operating expenses", \$502,000;
 Office of Rural Development Policy: "Salaries and expenses", \$18,000;
 Rural Electrification Administration: "Salaries and expenses", \$324,000;
 Farmers Home Administration: "Salaries and expenses", \$8,046,000;
 Soil Conservation Service: "Conservation operations", \$8,365,000; *to be derived by transfer from "Water-shed and flood prevention operations"*;
 Federal Grain Inspection Service: "Salaries and expenses", \$58,000;
 Agricultural Marketing Service:
 "Marketing services", \$841,000;
 "Increase in limitation on administrative expenses", \$753,000;
 "Funds for strengthening markets, income and supply (section 32)", (increase of \$150,000 in limitation, "marketing agreements and orders");
 "Office of Transportation", \$27,000;
 Food Safety and Inspection Service: "Salaries and expenses", \$11,396,000;
 Food and Nutrition Service: "Food program administration", \$1,000,000;
 "Human Nutrition Information Service", \$37,000;
 "Packers and Stockyards Administration", \$85,000.

DEPARTMENT OF DEFENSE—MILITARY

Military personnel:
 "Military personnel, Army", \$483,249,000;
 "Military personnel, Navy", \$359,633,000;
 "Military personnel, Marine Corps", \$116,840,000;
 "Military personnel, Air Force", \$417,679,000;
 "Reserve personnel, Navy", \$26,619,000;
 "Reserve personnel, Marine Corps", \$3,078,000;
 "Reserve personnel, Air Force", \$12,776,000;
 "National Guard personnel, Air Force", \$17,532,000;
 Operation and maintenance:
 "Operation and maintenance, Army", \$200,400,000;
 "Operation and maintenance, Navy", \$230,800,000;

"Operation and maintenance, Marine Corps", \$10,600,000;
 "Operation and maintenance, Air Force", \$120,300,000;
 "Operation and maintenance, Defense Agencies", \$106,530,000;
 "Operation and maintenance, Army Reserve", \$8,300,000;
 "Operation and maintenance, Navy Reserve", \$1,600,000;
 "Operation and maintenance, Marine Corps Reserve", \$200,000;
 "Operation and maintenance, Air Force Reserve", \$8,800,000;
 "Operation and maintenance, Army National Guard", \$15,000,000;
 "Operation and maintenance, Air National Guard", \$18,500,000;
 "National Board for the Promotion of Rifle Practice, Army", \$14,000.
 Family housing:
 "Family housing, Army", \$3,439,000;
 "Family housing, Navy and Marine Corps", \$1,493,000;
 "Family housing, Air Force", \$1,454,000.

DEPARTMENT OF DEFENSE—CIVIL

Cemeterial expenses, Army: "Salaries and expenses", \$53,000;
 Corps of Engineers—Civil:
 "General investigations", \$2,200,000 to remain available until expended to be derived from "Construction general";
 "General expenses", \$3,000,000 to remain available until expended to be derived from "Construction general";
 Soldiers' and Airmen's Home: "Operation and maintenance", \$324,000.

DEPARTMENT OF ENERGY

Energy programs:
 "Energy Information Administration", \$495,000;
 Federal Energy Regulatory Commission: "Salaries and expenses", \$1,627,000.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Management and administration: "Salaries and expenses, including transfer of funds", \$2,712,000, to be derived by transfer from the various funds of the Federal Housing Administration.

DEPARTMENT OF THE INTERIOR

Bureau of Land Management: "Management of lands and resources", \$2,000,000, *to be derived by transfer from "Construction (trust fund)", National Park Service*;
 Office of Surface Mining Reclamation and Enforcement: "Regulation and technology", \$455,000, *to be derived by transfer from prior-year unobligated balances in "Abandoned mine reclamation fund"*;
 National Park Service: "Operation of the national park system", \$10,700,000, *to be derived by transfer from "Construction (trust fund)", National Park Service*;
 Bureau of Indian Affairs: "Operation of Indian programs", \$5,000,000 *to be derived by transfer from "Construction"*; Bureau of Indian Affairs;
 "Office of the Solicitor", \$406,000, *to be derived by transfer from "Construction (trust fund)", National Park Service*.

ENVIRONMENTAL PROTECTION AGENCY

"Salaries and expenses", \$5,423,000.

GENERAL SERVICES ADMINISTRATION

Federal Buildings Fund: "Limitation on availability of revenue", in addition to the aggregate amount heretofore made available for real property management and related activities in fiscal year 1985, \$7,781,000 shall be available for such purposes and the limitation on the amount available for real property operations is increased to \$700,680,000 and the limitation on the amount available for program direction and centralized services is increased to \$118,509,000 and the limitation on the amount available for design and construction services is increased to \$59,513,000: *Provided, That \$7,781,000 of the amount previously appropriated for the construction of a Federal Building at Long Beach, California pursuant to Public Law 98-473, under the heading "Federal Buildings Fund, Limitations on Availability of Revenue", shall be made available for increased pay costs: Provided further, That any revenues and collections and any other sums accruing to this fund during fiscal year 1985, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)), in excess of \$2,256,180,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.*

Personal property activities: "Operating expenses," \$2,200,000 of which \$200,000 shall be derived by transfer from "Operating expenses, Office of Information Resources Management," \$1,500,000 shall be derived by transfer from "Expenses, Presidential transition," and \$500,000 shall be derived from unobligated balances available from "Operating expenses, Federal Property Resources Service";

General management and administration: "Salaries and expenses", \$2,200,000 of which \$200,000 shall be derived by transfer from "Operating expenses, Office of Information Resources Management", \$1,500,000 shall be derived by transfer from "Expenses, Presidential transition", and \$500,000 shall be derived from unobligated balances available from "Operating expenses, Federal Property Resources Service";

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

"Research and program management", \$23,300,000.

OFFICE OF PERSONNEL MANAGEMENT

"Salaries and expenses", \$917,000 in addition to \$448,000 for current fiscal year administration expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Office of Personnel Management in amounts to be determined by the Office of Personnel Management without regard to other statutes.

VETERANS ADMINISTRATION

"Medical care", \$72,524,000;
"General operating expenses", \$7,932,000;
"Construction, minor projects", an increase of \$371,000 in the limitation on the expenses of the Office of Construction.

OTHER INDEPENDENT AGENCIES

ACTION: "Operating expenses", \$233,000;

Administrative Conference of the United States: "Salaries and expenses", \$12,000

Commission of Fine Arts: "Salaries and expenses", \$2,000;

Commission on Civil Rights: "Salaries and expenses", \$122,000;

"Commodity Futures Trading Commission", \$272,000;
Equal Employment Opportunity Commission: "Salaries and expenses", \$2,900,000;

Federal Communications Commission: "Salaries and expenses", \$1,830,000;

Federal Election Commission: "Salaries and expenses", \$116,000;

Federal Emergency Management Agency: "Salaries and expenses", \$2,472,000 to be derived by transfer from "Emergency management planning and assistance";

Federal Labor Relations Authority: "Salaries and expenses", \$167,000;

Federal Mediation and Conciliation Service: "Salaries and expenses", \$234,000;

Federal Mine Safety and Health Review Commission: "Salaries and expenses", \$36,000;

Federal Trade Commission: "Salaries and expenses", \$1,450,000;

"Intelligence Community Staff", \$174,000;

Intergovernmental Agencies:

Advisory Commission on Intergovernmental Relations: "Salaries and expenses", \$17,000;

Delaware River Basin Commission: "Salaries and expenses", \$2,000;

Susquehanna River Basin Commission: "Salaries and expenses", \$2,000;

International Trade Commission: "Salaries and expenses", \$549,000;

Interstate Commerce Commission: "Salaries and expenses", \$1,000,000;

Merit Systems Protection Board:

"Salaries and expenses", \$194,000;

"Office of Special Counsel", \$44,000;

National Capital Planning Commission: "Salaries and expenses", \$22,000;

National Science Foundation:

"Research and related activities", (an increase of \$1,670,000 in the limitation on program development and management), to remain available until September 30, 1985;

"U.S. Antarctic Program", \$750,000 to remain available until expended;

National Transportation Safety Board: "Salaries and expenses", \$199,000;

Pennsylvania Avenue Development Corporation: "Salaries and expenses", \$18,000;

Securities and Exchange Commission: "Salaries and expenses", \$1,045,000;

Smithsonian Institution:

"Salaries and expenses", \$1,906,000;

"Salaries and expenses, National Gallery of Art", \$363,000;

"Salaries and expenses, Woodrow Wilson International Center for Scholars", \$16,000;

"United States Holocaust Memorial Council", \$13,000.

SECTION III—RESCISSION PROPOSALS

Funds Appropriated to the President

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	11-0090-5-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Appalachian Development Highway System		-56,000	
00.02	Jobs and private investment program.....		-25,000	

Object Classification (in thousands of dollars)

Identification code	71-4030-5-3-151	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-130	
22.0	Transportation of things.....		-32	
24.0	Printing and reproduction.....		-100	
25.0	Other services.....		-497	
26.0	Supplies and materials.....		-79	
99.9	Total obligations.....		-838	

Department of Agriculture

OFFICE OF THE SECRETARY

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-0115-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-133	
Financing:				
14.00	Offsetting collections from: Non-Federal sources.....		19	
40.01	Budget authority (appropriation rescission proposal R85-5).....		-114	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-114	
90.00	Outlays.....		-114	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-0115-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-42	
24.0	Printing and reproduction.....		-49	
25.0	Other services.....		-23	
99.0	Subtotal, direct obligations.....		-114	
99.0	Reimbursable obligations.....		-19	
99.9	Total obligations.....		-133	

DEPARTMENTAL ADMINISTRATION

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-0120-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-222	
Financing:				
11.00	Offsetting collections from: Federal funds.....		73	
40.01	Budget authority (appropriation rescission proposal R85-6).....		-149	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-149	
90.00	Outlays.....		-149	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-0120-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-48	
24.0	Printing and reproduction.....		-101	
99.0	Subtotal, direct obligations.....		-149	
99.0	Reimbursable obligations.....		-73	
99.9	Total obligations.....		-222	

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-0130-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-588	
Financing:				
11.00	Offsetting collection from: Federal funds.....		91	
40.01	Budget authority (appropriation rescission proposal R85-7).....		-497	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-497	
90.00	Outlays.....		-497	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-0130-5-1-352	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent.....		-120	
12.1	Personnel benefits: Civilian.....		-15	
21.0	Travel and transportation of persons.....		-19	
24.0	Printing and reproduction.....		-343	
99.0	Subtotal, direct obligations.....		-497	
99.0	Reimbursable obligations.....		-91	
99.9	Total obligations.....		-588	

OFFICE OF THE INSPECTOR GENERAL

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-0900-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 24.0).....		-41	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-8).....		-41	

OFFICE OF THE INSPECTOR GENERAL—Continued

Program and Financing (in thousands of dollars)—Continued			
Identification code	12-0900-5-1-352	1984 actual	1985 est. 1986 est.
Relation of obligations to outlays:			
71.00	Obligations incurred, net	—41	.....
90.00	Outlays.....	—41	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

OFFICE OF THE GENERAL COUNSEL

(Rescission proposal)

Program and Financing (in thousands of dollars)			
Identification code	12-2300-5-1-352	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations	—24	.....
Financing:			
40.01	Budget authority (appropriation rescission proposal R85-9)	—24	.....
Relation of obligations to outlays:			
71.00	Obligations incurred, net	—24	.....
90.00	Outlays.....	—24	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)			
Identification code	12-2300-5-1-352	1984 actual	1985 est. 1986 est.
21.0	Travel and transportation of persons.....	—7	.....
24.0	Printing and reproduction.....	—17	.....
99.9	Total obligations.....	—24	.....

AGRICULTURAL RESEARCH SERVICE

(Rescission proposal)

Program and Financing (in thousands of dollars)			
Identification code	12-1400-5-1-352	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations	—1,313	.....
Financing:			
40.01	Budget authority (appropriation rescission proposal R85-10)	—1,313	.....
Relation of obligations to outlays:			
71.00	Obligations incurred, net	—1,313	.....
90.00	Outlays.....	—1,313	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1400-5-1-352	1984 actual	1985 est. 1986 est.
21.0	Travel and transportation of persons.....	—510	.....
25.0	Other services.....	—505	.....
31.0	Equipment.....	—298	.....
99.9	Total obligations.....	—1,313	.....

BUILDINGS AND FACILITIES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1401-5-1-352	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations (object class 32.0)	—37,900	.....
Financing:			
23.40	Unobligated balance rescission (proposal R85-11)	16,950	.....
40.01	Budget authority (appropriation rescission proposal R85-12)	—20,950	.....
Relation of obligations to outlays:			
71.00	Obligations incurred, net	—37,900	.....
72.40	Obligated balance, start of year	—34,746	.....
74.40	Obligated balance, end of year.....	34,746	15,120
90.00	Outlays.....	—3,154	—19,626

In 1984 and 1985 the Congress provided funds to plan, design, and construct a number of research facilities. Included were eight facilities totaling \$37,900 thousand as follows:

Fiscal year and Projects

1985—South Central Small Farms Research Center.

1985—National Soil Tilth Center.

1985—Germplasm Collection Facility.

1985—Metabolism and Radiation Research Laboratory.

1984—South Central Agricultural Research Laboratory.

1984—Plant Stress and Soil Moisture Laboratory.

1984—Forage Seed Production and Research Center.

1984—Old West Regional Veterinary School.

These research centers would add at least 80 scientist years of research facility capacity to the Agricultural Research Service System even though the research facility system has been operating well below its capacity for years. The long-range annual operating costs for these facilities is estimated to be \$16 million.

This rescission is proposed to assure a more effective use of existing facilities; eliminate excessive Federal spending while reducing the budget deficit and further to resist efforts to construct unnecessary, new research facilities.

The construction of the Old West Veterinary School requires Regional cooperation and State matching funds. The attainment of these criteria is uncertain at this time and a rescission is proposed to eliminate federally appropriated funds.

COOPERATIVE STATE RESEARCH SERVICE

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1500-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-151	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-13).....		-151	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-151	
90.00	Outlays.....		-151	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1500-5-1-352	1984 actual	1985 est.	1986 est.
11.3	Personnel compensation: Other than full-time permanent.....		-49	
12.1	Personnel benefits: Civilian.....		-3	
21.1	Travel and transportation of persons.....		-71	
22.0	Transportation of things.....		-1	
24.0	Printing and reproduction.....		-27	
99.9	Total obligations.....		-151	

EXTENSION SERVICE**SALARIES AND EXPENSES**

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-0502-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-310	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-14).....		-310	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-310	
90.00	Outlays.....		-310	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-0502-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-40	
22.0	Transportation of things.....		-30	
23.2	Communications, utilities and other rent.....		-68	
24.0	Printing and reproduction.....		-80	
25.0	Other services.....		-52	
26.0	Supplies and materials.....		-10	
31.0	Equipment.....		-30	
99.9	Total obligations.....		-310	

NATIONAL AGRICULTURAL LIBRARY**SALARIES AND EXPENSES**

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-0300-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 21.0).....		-11	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-15).....		-11	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-11	
90.00	Outlays.....		-11	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

STATISTICAL REPORTING SERVICE**SALARIES AND EXPENSES**

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1801-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-206	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-16).....		-206	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-206	
90.00	Outlays.....		-206	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1801-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-116	
22.0	Transportation of things.....		-24	
24.0	Printing and reproduction.....		-34	
25.0	Other services.....		-13	
26.0	Supplies and materials.....		-19	
99.9	Total obligations.....		-206	

ECONOMIC RESEARCH SERVICE**SALARIES AND EXPENSES**

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1701-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-132	

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code	12-1701-5-1-352	1984 actual	1985 est.	1986 est.
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-17)		-132	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-132	
90.00	Outlays		-132	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1701-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-86	
22.0	Transportation of things		-23	
25.0	Other services		-23	
99.9	Total obligations		-132	

WORLD AGRICULTURAL OUTLOOK BOARD

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2100-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-32	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-18)		-32	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-32	
90.00	Outlays		-32	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2100-5-1-352	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent		-21	
12.1	Personnel benefits: Civilian		-2	
21.0	Travel and transportation of persons		-9	
99.9	Total obligations		-32	

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2900-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-424	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-19)		-424	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-424	
90.00	Outlays		-424	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2900-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-299	
22.0	Transportation of things		-60	
25.0	Other services		-31	
31.0	Equipment		-34	
99.9	Total obligations		-424	

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3200-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-194	
Financing:				
11.00	Offsetting collections from: Federal funds		142	
40.01	Budget authority (appropriation rescission proposal R85-20)		-52	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-52	
90.00	Outlays		-52	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3200-5-1-352	1984 actual	1985 est.	1986 est.
Direct obligations:				
21.0	Travel and transportation of persons		-35	
22.0	Transportation of things		-1	
24.0	Printing and reproduction		-1	
25.0	Other services		-15	
99.0	Subtotal, direct obligations		-52	

99.0	Reimbursable obligations	-142	.....
99.9	Total obligations	-194	.....

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1404-5-1-352	1984 actual	1985 est.	1986 est.
Program and activities:				
10.00	Total obligations		-9	.....
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-21)		-9	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-9	.....
90.00	Outlays		-9	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1404-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-5	.....
22.0	Transportation of things		-4	.....
99.9	Total obligations		-9	.....

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3300-5-1-351	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-1,098	.....
Financing:				
11.00	Offsetting collections from: Federal funds: Commodity Credit Corporation Fund		998	.....
40.01	Budget authority (appropriation rescission proposal R85-22)		-100	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-100	.....
90.00	Outlays		-100	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3300-5-1-351	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent		-258	.....
12.1	Personnel benefits: Civilian		-31	.....
21.0	Travel and transportation of persons		-300	.....

22.0	Transportation of things	-1	.....
24.0	Printing and reproduction	-324	.....
25.0	Other services	-78	.....
26.0	Supplies and materials	-70	.....
31.0	Equipment	-36	.....
99.9	Total obligations	-1,098	.....

DAIRY INDEMNITY PROGRAM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3314-5-1-351	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 41.0)		-88	.....
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-23)		-88	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-88	.....
90.00	Outlays		-88	.....

In 1984, claims totaling \$12,000 were filed by farmers before the December 31, 1984 deadline. The \$100,000 provided by the 1985 appropriation address a problem which is of limited scope. Rescission of the remaining \$88,000 is proposed because of the need to reduce Federal spending. Authorizing legislation for the program will expire at the end of 1985.

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2707-5-1-351	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-1,906	.....
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-24)		-1,906	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-1,906	.....
90.00	Outlays		-1,906	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2707-5-1-351	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-1,169	.....
22.0	Transportation of things		-38	.....
24.0	Printing and reproduction		-534	.....
25.0	Other services		-165	.....
99.9	Total obligations		-1,906	.....

COMMODITY CREDIT CORPORATION**COMMODITY CREDIT CORPORATION FUND**

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-4336-5-3-351	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 22.0)		-31	
Financing:				
23.40	Unobligated balance rescission proposal (R85-25)		31	
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-31	
90.00	Outlays		-31	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, as explained at the beginning of this section.

OFFICE OF RURAL DEVELOPMENT POLICY**SALARIES AND EXPENSES**

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-0801-5-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-36	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-26)		-36	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-36	
90.00	Outlays		-36	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-0801-5-1-452	1984 actual	1985 est.	1986 est.
11.3	Personnel compensation: Other than full-time permanent		-2	
21.0	Travel and transportation of persons		-11	
24.0	Printing and reproduction		-13	
25.0	Other services		-10	
99.9	Total obligations		-36	

RURAL ELECTRIFICATION ADMINISTRATION**SALARIES AND EXPENSES**

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3100-5-1-271	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-288	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-27)		-288	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-288	
72.40	Obligated balance, start of year			-24
74.40	Obligated balance, end of year		24	
90.00	Outlays		-264	-24

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3100-5-1-271	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent		-47	
21.0	Travel and transportation of persons		-110	
24.0	Printing and reproduction		-86	
25.0	Other services		-35	
26.0	Supplies and materials		-10	
99.9	Total obligations		-288	

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND**REIMBURSEMENT TO THE RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND**

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3101-5-1-271	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Reimbursement for interest subsidies and losses (object class 33.0)		-215,964	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-28)		-215,964	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-215,964	
90.00	Outlays		-215,964	

This rescission proposal would reduce 1985 budget authority by the amount made available to reimburse the Rural Electrification and Telephone Revolving Fund for interest subsidies and losses incurred in 1983. This reimbursement to the Revolving Fund is not necessary since the fund's actual interest income exceeded its interest expense in 1983.

The Federal Government, however, incurred a loss of at least \$215 million in 1983 from REA loans because REA direct loan interest rates are below the cost of Government borrowing. An appropriation to reimburse

the Revolving Fund would continue a costly loan subsidy. The only way to cover this loss to the Government and the taxpayer is to raise REA direct loan interest rates to the cost of Government borrowing. This would be in accord with the original statute establishing the REA loan program, which set interest rates at and above Treasury cost of borrowing.

PURCHASE OF RURAL TELEPHONE BANK CAPITAL STOCK
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3102-5-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (object class 33.0)		-30,000	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-29)		-30,000	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-30,000	
90.00	Outlays		-30,000	

The 1985 appropriation for the Federal purchase of Bank stock is proposed for rescission. The Federal Government has already provided the \$300 million in capital called for in the original statute establishing the Bank. These funds only begin to be repaid starting in 1995. The Bank has the authority to raise funds in private credit markets on the \$300 million capital base provided by the Federal Government, and it is authorized to borrow without limitation from the U.S. Treasury at the same interest rate the Treasury pays, with 50-year repayment terms. Even without the capital proposed for rescission, the Bank would continue to be heavily subsidized with taxpayer dollars, and rural telephone borrowers would continue to enjoy low-cost money. The Bank's current lending rate is 9.5 percent. This proposal would not affect the Bank's lending levels or outlays, nor would it reduce the total budgetary resources available to the Bank.

FARMERS HOME ADMINISTRATION

SALARIES AND EXPENSES
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2001-5-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-1,315	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-30)		-1,315	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-1,315	
90.00	Outlays		-1,315	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2001-5-1-452	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-1,169	
25.0	Other services		-146	
99.9	Total obligations		-1,315	

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1000-5-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-5,174	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-31)		-5,174	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-5,174	
72.40	Obligated balance, start of year			-310
74.40	Obligated balance, end of year		310	
90.00	Outlays		-4,864	-310

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1000-5-1-302	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-884	
22.0	Transportation of things		-262	
24.0	Printing and reproduction		-431	
25.0	Other services		-112	
31.0	Equipment		-3,485	
99.9	Total obligations		-5,174	

RIVER BASIN SURVEYS AND INVESTIGATIONS
(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1069-5-1-301	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-235	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-32)		-235	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-235	
72.40	Obligated balance, start of year			-14
74.40	Obligated balance, end of year		14	
90.00	Outlays		-221	-14

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

RIVER BASIN SURVEYS AND INVESTIGATIONS—Continued

Object Classification (in thousands of dollars)			
Identification code	12-1069-5-1-301	1984 actual	1985 est. 1986 est.
Direct obligations:			
21.0	Travel and transportation of persons.....		— 50
22.0	Transportation of things.....		— 7
24.0	Printing and reproduction.....		— 48
25.0	Other services.....		— 23
31.0	Equipment.....		— 101
99.0	Subtotal, direct obligations.....		— 229
ALLOCATION ACCOUNTS			
21.0	Travel and transportation of persons.....		— 4
22.0	Transportation of things.....		— 2
99.0	Subtotal, obligations, allocation accounts.....		— 6
99.9	Total obligations.....		— 235

WATERSHED PLANNING

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1066-5-1-301	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations.....		— 133
Financing:			
40.01	Budget authority (appropriation rescission proposal R85-33).....		— 133
Relation of obligations to outlays:			
71.00	Obligations incurred, net.....		— 133
72.40	Obligated balance, start of year.....		— 8
74.40	Obligated balance, end of year.....		8
90.00	Outlays.....		— 125 — 8

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1066-5-1-301	1984 actual	1985 est. 1986 est.
21.0	Travel and transportation of persons.....		— 34
22.0	Transportation of things.....		— 9
24.0	Printing and reproduction.....		— 4
25.0	Other services.....		— 19
31.0	Equipment.....		— 67
99.9	Total obligations.....		— 133

WATERSHED AND FLOOD PREVENTION OPERATIONS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1072-5-1-301	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations.....		— 918
Financing:			
40.01	Budget authority (appropriation rescission proposal R85-34).....		— 918

Relation of obligations to outlays:

71.00	Obligations incurred, net.....	— 918	
72.40	Obligated balance, start of year.....		— 55
74.40	Obligated balance, end of year.....	55	
90.00	Outlays.....	— 863	— 55

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1072-5-1-301	1984 actual	1985 est. 1986 est.
21.0	Travel and transportation of persons.....		— 182
22.0	Transportation of things.....		— 47
24.0	Printing and reproduction.....		— 73
25.0	Other services.....		— 84
31.0	Equipment.....		— 532
99.9	Total obligations.....		— 918

GREAT PLAINS CONSERVATION PROGRAM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2268-5-1-302	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations.....		— 126
Financing:			
40.01	Budget authority (appropriation rescission proposal R85-35).....		— 126
Relation of obligations to outlays:			
71.00	Obligations incurred, net.....		— 126
72.40	Obligated balance, start of year.....		— 8
74.40	Obligated balance, end of year.....		8
90.00	Outlays.....		— 118 — 8

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2268-5-1-302	1984 actual	1985 est. 1986 est.
21.0	Travel and transportation of persons.....		— 21
22.0	Transportation of things.....		— 5
24.0	Printing and reproduction.....		— 2
25.0	Other services.....		— 3
31.0	Equipment.....		— 95
99.9	Total obligations.....		— 126

RESOURCE CONSERVATION AND DEVELOPMENT

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1010-5-1-302	1984 actual	1985 est. 1986 est.
Program by activities:			
10.00	Total obligations.....		— 164

Financing:			
40.01	Budget authority (appropriation rescission proposal R85-36)	-164	.....
Relation of obligations to outlays:			
71.00	Obligations incurred, net	-164	.....
72.40	Obligated balance, start of year		-10
74.40	Obligated balance, end of year	10	.....
90.00	Outlays	-154	-10

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1010-5-1-302	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-36	.....
22.0	Transportation of things		-6	.....
24.0	Printing and reproduction		-7	.....
25.0	Other services		-12	.....
31.0	Equipment		-103	.....
99.9	Total obligations		-164	.....

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1600-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-1,464	.....
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-37)		-1,464	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-1,464	.....
90.00	Outlays		-1,464	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1600-5-1-352	1984 actual	1985 est.	1986 est.
11.3	Personnel compensation: Other than full-time permanent		-8	.....
22.0	Transportation of things		-86	.....
24.0	Printing and reproduction		-259	.....
25.0	Other services		-181	.....
26.0	Supplies and materials		-647	.....
31.0	Equipment		-283	.....
99.9	Total obligations		-1,464	.....

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2400-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations (appropriation rescission proposal R85-38)		-94	.....
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-38)		-94	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-94	.....
90.00	Outlays		-94	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2400-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-55	.....
25.0	Other services		-39	.....
99.9	Total obligations		-94	.....

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2500-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-487	.....
Financing:				
11.00	Offsetting collections from: Federal funds		337	.....
40.01	Budget authority (appropriation rescission proposal R85-39)		-150	.....
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-150	.....
90.00	Outlays		-150	.....

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2500-5-1-352	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent		-34	.....
12.1	Personnel benefits: Civilian		-3	.....
21.0	Travel and transportation of persons		-40	.....
22.0	Transportation of things		-10	.....
24.0	Printing and reproduction		-40	.....
25.0	Other services		-23	.....
99.0	Subtotal, direct obligations		-150	.....

MARKETING SERVICES—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-2500-5-1-352	1984 actual	1985 est.	1986 est.
99.0	Reimbursable obligations		-337	
99.9	Total obligations		-487	

OFFICE OF TRANSPORTATION

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2800-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-18	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-40)		-18	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-18	
90.00	Outlays		-18	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2800-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-15	
24.0	Printing and reproduction		-3	
99.9	Total obligations		-18	

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3700-5-1-554	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-2,715	
Financing:				
14.00	Offsetting collections from: Non-Federal sources		242	
40.01	Budget authority (appropriation rescission proposal R85-41)		-2,473	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-2,473	
90.00	Outlays		-2,473	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3700-5-1-554	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-2,110	
22.0	Transportation of things		-68	
24.0	Printing and reproduction		-96	
25.0	Other services		-199	
99.0	Subtotal, direct obligations		-2,473	
99.0	Reimbursable obligations		-242	
99.9	Total obligations		-2,715	

FOOD AND NUTRITION SERVICE

FOOD PROGRAM ADMINISTRATION

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3508-5-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-684	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-42)		-684	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-684	
90.00	Outlays		-684	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3508-5-1-605	1984 actual	1985 est.	1986 est.
11.1	Personnel compensation: Full-time permanent		-82	
12.1	Personnel benefits: Civilian		-11	
21.0	Travel and transportation of persons		-544	
22.0	Transportation of things		-47	
99.9	Total obligations		-684	

FOOD STAMP PROGRAM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3505-5-1-605	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-8,762	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-43)		-8,762	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-8,762	
90.00	Outlays		-8,762	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3505-5-1-605	1984 actual	1985 est.	1986 est.
24.0	Printing and reproduction		-5,689	
25.0	Other services		-3,073	
99.9	Total obligations		-8,762	

HUMAN NUTRITION INFORMATION SERVICE

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3501-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-34	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-44)		-34	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-34	
90.00	Outlays		-34	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3501-5-1-352	1984 actual	1985 est.	1986 est.
21.00	Travel and transportation of persons		-8	
24.00	Printing and reproduction		-26	
99.9	Total obligations		-34	

PACKERS AND STOCKYARDS ADMINISTRATION

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-2600-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-117	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-45)		-117	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-117	
90.00	Outlays		-117	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-2600-5-1-352	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-102	
22.0	Transportation of things		-3	
24.0	Printing and reproduction		-10	

25.00	Other services	-2	
99.9	Total obligations	-117	

AGRICULTURAL COOPERATIVE SERVICE

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-3000-5-1-352	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-50	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-46)		-50	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-50	
90.00	Outlays		-50	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-3000-5-1-352	1985 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-25	
24.0	Printing and reproduction		-24	
25.0	Other services		-1	
99.9	Total obligations		-50	

FOREST SERVICE

FOREST RESEARCH

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1104-5-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		-923	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-47)		-923	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		-923	
72.40	Obligated balance, start of year			-184
74.40	Obligated balance, end of year		184	
90.00	Outlays		-739	-184

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1104-5-1-302	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		-302	
22.0	Transportation of things		-49	
24.0	Printing and reproduction		-205	

FOREST RESEARCH—Continued

Object Classification (in thousands of dollars)—Continued

Identification code	12-1104-5-1-302	1984 actual	1985 est.	1986 est.
25.0	Other services		—92	
31.0	Equipment		—275	
99.9	Total obligations		—923	

STATE AND PRIVATE FORESTRY

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1105-5-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		—463	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-48)		—463	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		—463	
72.40	Obligated balance, start of year			—93
74.40	Obligated balance, end of year		93	
90.00	Outlays		—370	—93

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1105-5-1-302	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		—179	
22.0	Transportation of things		—21	
24.0	Printing and reproduction		—91	
25.0	Other services		—35	
31.0	Equipment		—137	
99.9	Total obligations		—463	

NATIONAL FOREST SYSTEM

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1106-5-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		—12,134	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-49)		—12,134	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		—12,134	
72.40	Obligated balance, start of year			—2,425
74.40	Obligated balance, end of year		2,425	
90.00	Outlays		—9,709	—2,425

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1106-5-1-302	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		—2,130	
22.0	Transportation of things		—925	
24.0	Printing and reproduction		—1,139	
25.0	Other services		—1,163	
31.0	Equipment		—6,777	
99.9	Total obligations		—12,134	

CONSTRUCTION

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-1103-5-1-302	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		—1,922	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-50)		—1,922	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		—1,922	
72.40	Obligated balance, start of year			—385
74.40	Obligated balance, end of year		385	
90.00	Outlays		—1,537	—385

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-1103-5-1-302	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons		—370	
22.0	Transportation of things		—153	
24.0	Printing and reproduction		—159	
25.0	Other services		—324	
31.0	Equipment		—916	
99.9	Total obligations		—1,922	

LAND ACQUISITION

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	12-5004-5-2-303	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations		—68	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-51)		—68	
Relation of obligations to outlays:				
71.00	Obligations incurred, net		—68	
72.40	Obligated balance, start of year			—14
74.40	Obligated balance, end of year		14	
90.00	Outlays		—54	—14

This rescission is proposed to effect savings in congressionally specified management categories pursuant

to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	12-5004-5-2-303	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-10	
22.0	Transportation of things.....		-2	
24.0	Printing and reproduction.....		-1	
25.0	Other services.....		-9	
31.0	Equipment.....		-46	
99.9	Total obligations.....		-68	

**Department of Commerce
GENERAL ADMINISTRATION**

SALARIES AND EXPENSES

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	13-0120-5-1-376	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Executive direction.....		-1	
00.02	Departmental staff services.....		-428	
00.03	Inspector General.....		-70	
00.04	Telecommunication service.....		-3,700	
10.00	Total obligations.....		-4,199	
Financing:				
23.40	Unobligated balance rescission proposal (R85-52).....		3,700	
40.01	Budget authority (appropriation rescission proposal R85-53).....		-499	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-4,199	
72.40	Obligated balance, start of year.....			-50
74.40	Obligated balance, end of year.....		50	
90.00	Outlays.....		-4,149	-50

This rescission is proposed to eliminate 1984 funds (\$3,700,000) originally appropriated for purchase of a private-branch-exchange telephone system for the Herbert C. Hoover Building.

An additional rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, as explained at the beginning of this section.

1985 RESCISSION PROPOSALS

(In thousands of dollars)

	2901	Other	Total
Total obligations.....	-499	-3,700	-4,199

Object Classification (in thousands of dollars)

Identification code	13-0120-5-1-376	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-106	
23.2	Communications, utilities and other rent.....		-75	
24.0	Printing and reproduction.....		-225	
25.0	Other services.....		-393	
31.0	Equipment.....		-3,400	
99.9	Total obligations.....		-4,199	

**[ECONOMIC DEVELOPMENT
ADMINISTRATION] GENERAL ADMINISTRATION**

[SALARIES AND EXPENSES] GRANTS AND LOANS ADMINISTRATION

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	13-0125-5-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
10.00	Total obligations.....		-120	
Financing:				
40.01	Budget authority (appropriation rescission proposal R85-54).....		-120	
Relation of obligations to outlays:				
71.00	Obligations incurred, net.....		-120	
90.00	Outlays.....		-120	

This rescission is proposed to effect savings in congressionally specified management categories pursuant to section 2901 of the Deficit Reduction Act of 1984, explained at the beginning of this section.

Object Classification (in thousands of dollars)

Identification code	13-0125-5-1-452	1984 actual	1985 est.	1986 est.
21.0	Travel and transportation of persons.....		-93	
24.0	Printing and reproduction.....		-27	
99.9	Total obligations.....		-120	

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code	13-2050-5-1-452	1984 actual	1985 est.	1986 est.
Program by activities:				
00.01	Planning grants.....		-21,600	
00.02	Technical assistance grants.....		-6,400	
00.03	Development grants.....		-142,000	
00.04	Economic adjustment grants.....		-26,400	
00.05	Research and evaluation.....		-6,600	
10.00	Total obligations.....		-203,000	
Financing:				
23.40	Unobligated balance rescission proposal (R85-55).....		24,000	
40.01	Budget authority (appropriation rescission proposal R85-56).....		-179,000	
Relation of obligations to outlays:				
71.01	Obligations incurred, net.....		-203,000	
72.40	Obligated balance, start of year.....			-182,700
74.40	Obligated balance, end of year.....		182,700	142,100
90.00	Outlays.....		-20,300	-40,600

This rescission is part of an overall proposal to terminate the activity in this account. Supplemental language terminating the guaranteed loan program is included elsewhere in Part II.

OFF-BUDGET FEDERAL ENTITIES

Public Law 93-32 removed from the budget totals the governmental financing of rural electric and telephone systems administered by the Department of Agriculture. Legislation will be proposed to include these amounts within the budget totals. Budget schedules and statements on a comparable basis for 1984-1986 are provided in Part I under the Department of Agriculture, Rural Electrification Administration.

The Board of Governors of the Federal Reserve System provides calendar year data for its administrative budget for inclusion without further review. Budget schedules and statements are provided for information in Part V.

Public Law 97-35 established the SPR Petroleum account for the purpose of acquisition, transportation, and injection of petroleum products into the strategic petroleum reserve. The law specifies that account transactions shall not be included in the budget totals. Legislation will be proposed to include these amounts within the budget totals. Budget schedules and statements on a comparable basis for 1984-1986 are provided in Part I under the Department of Energy, Energy Activities.

The Federal Financing Bank was created by the Federal Financing Bank Act of 1973, which specifies that the receipts and disbursements of the Bank shall not be included in the budget totals. Legislation will be proposed to include these amounts within the budget totals, and budget schedules and statements on a comparable basis for 1984-1986 are provided in Part I under the Department of the Treasury, Federal Financing Bank Activities. For the 1986 budget, these activi-

ties will be included in the Treasury Department. However, the legislation will propose that they be charged to the agencies and accounts being serviced by the Bank.

The activities of the Postal Service, but not the Federal subsidy, were excluded from the budget totals in the past. Consistent with legislation to be proposed to move other off-budget Federal entities on-budget, all of the Postal Service activities are included in Part I under Other Independent Agencies.

The United States Railway Association, established by the Regional Rail Reorganization Act of 1973, is a Government corporation. Part of the financing activities of the Association was presented off-budget, while the administrative expenses of the Association and the purchase of Conrail securities were included on-budget in Part I. Legislation will be proposed to include all of the amounts for the Association within the budget totals, and budget schedules and statements on a comparable basis for 1984-1986 are provided in Part I under Other Independent Agencies.

The United States Synthetic Fuels Corporation was established by the United States Synthetic Fuels Act of 1980. The activities of the Corporation were off-budget, while all the Federal funds provided to the Corporation were included in the budget totals in the Department of the Treasury. Legislation will be proposed to include the activities of the Corporation within the budget totals. Budget schedules and statements on a comparable basis for 1984-1986 are provided in Part I under Other Independent Agencies.

EXPLANATION OF OTHER MATERIALS

This section includes the following material:

(a) A list of advance appropriations, as required by the Congressional Budget Act of 1974 (31 U.S.C. 1105(17)), a list of appropriations with advance funding provisions, and a list of appropriations with forward funding provisions.

(b) A statement of amendments and revisions to 1985 budget authority requests that were transmitted to the

Congress after the 1985 Budget but prior to the transmittal of the 1986 Budget, as required by section 601 of the Congressional Budget Act of 1974.

(c) A statement of the amounts of appropriations requested for Offices of Inspectors General, as required by section 3 of the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255).

ADVANCE APPROPRIATIONS, ADVANCE FUNDING, AND FORWARD FUNDING FOR 1986

I. Advance appropriations are provided for use in a fiscal year, or more, beyond the fiscal year for which the appropriation act is passed. Advance appropriations in 1986 appropriations bills will provide funding for programs beyond 1986. Since these appropriations are not available until after 1986, the amounts will not be included in 1986 budget totals, but will be reflected in the budget totals for the fiscal year requested.

The Congressional Budget Act of 1974 (31 U.S.C. 1105(17)) requires inclusion in the budget of "information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation." In fulfillment of this requirement, the table below lists those accounts authorized to receive, in 1986, advance appropriations for 1987 and later years. The listing is in two parts: Part A shows the amounts of advance appropriations included in the 1986 budget. Part B is a listing of accounts for which advance appropriations are authorized but not requested in the 1986 budget.

A. Accounts for which advance appropriations are included in the 1986 budget:

Department of Health and Human Services:¹
 Assistance payments program (42 U.S.C., sec. 601) \$2,193,754 thousand for 1987.
 Child support enforcement program (42 U.S.C., sec. 651) \$170,750 thousand for 1987.
 Supplemental security income program (42 U.S.C. sec. 1381) \$2,339,250 thousand for 1987.
 Special benefits for disabled coal miners (30 U.S.C., sec. 921) \$270,000 thousand for 1987.
 Grants to States for medicaid (42 U.S.C., sec. 1396) \$6,500,000 thousand for 1987.
 Corporation for Public Broadcasting: \$159,500 thousand for 1986; \$186,000 thousand request pending for 1987; \$214,000 thousand requested for 1988.

B. Accounts authorized to receive advance appropriations but for which none are requested in the 1986 budget:

Department of Agriculture:
 Food program administration (42 U.S.C., sec. 1752).
 Food donations program (Public Law 93-29, sec. 209).
 Child nutrition programs (42 U.S.C., sec. 1752).
 Department of Education. The following activities are authorized to receive advance appropriations (20 U.S.C. 1223 and 29 U.S.C. 703):
 Compensatory education for the disadvantaged.
 Impact aid.
 Special programs.
 Indian education.
 Bilingual education.
 Education for the handicapped.
 Rehabilitation services and handicapped research.
 Vocational and adult education.
 Student financial assistance.
 Guaranteed student loans.
 Higher education.

Higher education facilities loans and insurance.
 College housing loans.
 Educational research and statistics.
 Libraries.
 Special institutions.
 Education and research overseas (special foreign currency program).

Department of Energy:

Fossil energy research and development (Public Law 98-146).

Department of Health and Human Services:

Family social services (Public Law 96-272).

Human development services (Public Law 97-35, sec. 657, Public Law 97-115, sec. 209).

¹ The accounts listed for the Department of Health and Human Services for which advance appropriations are requested for 1987 also are requesting advance funding (see section II).

II. Advance funding is authority provided in appropriations acts to obligate and disburse funds during a fiscal year from a succeeding year's appropriation. The funds so obligated increase the budget authority for the fiscal year in which obligated and reduce the budget authority of the succeeding fiscal year. Essentially, this is a device for avoiding supplemental requests late in the fiscal year for certain entitlement programs should the appropriations for the current year prove to be too low. The table below lists those accounts for which advance funding authority is requested in the 1986 budget.

Department of Health and Human Services:

Grants to States for medicaid.
 Special benefits for disabled coal miners.
 Supplemental security income program.
 Assistance payments program.
 Child support enforcement program.

Department of Labor:

Federal unemployment benefits and allowances.
 Special benefits.
 Black lung disability trust fund.

III. Forward funding is authority provided in an appropriations act to obligate funds in one fiscal year for the financing of ongoing programs of grantees during the succeeding fiscal year. The budget authority for such programs is included in the budget totals for the year in which it is appropriated. This device is often used for education programs, so that grants can be made prior to the start of the school year. The language providing forward funding for education programs will specify that amounts appropriated will not be available until some time into the year of the appropriation (e.g., July 1, 1986) and in most cases will specify that such amounts will remain available until the end of the succeeding fiscal year. The table below lists those accounts for which forward funding is requested in whole or in part in the 1986 budget.

Department of Education:

Compensatory education for the disadvantaged.
 Special programs.
 Education for the handicapped.
 Vocational and adult education.

In the training and employment area, forward funding is provided in some accounts by providing appro-

priations for a program year which starts in the fiscal year of the appropriation and extends into the following fiscal year. Program years running from July 1 to June 30 are authorized for training programs under the Job Training Partnership Act, State Employment Service operations under section 6 of the Wagner-Peyser Act, and senior citizen employment programs under Title V

of the Older Americans Act. The table below lists those accounts for which such forward funding is requested in the 1986 budget.

Department of Labor:

Training and employment services.

Community service employment for older Americans.

State Unemployment Insurance and Employment Services Operations.

STATEMENT OF AMENDMENTS TO AND REVISIONS IN BUDGET AUTHORITY FOR 1985

(Between the Transmittal of the 1985 and 1986 Budgets)

A statement of all amendments to or revisions in budget authority requested between transmittal of the 1985 budget and the 1986 budget is presented below. This statement is being included in the budget in accord with the Congressional Budget Act of 1974 (31 U.S.C. 1105(d)).

The modifications to requests for 1985 budget authority that were made through the course of the past year took three forms. If the Congress had not yet acted on a pending request, the President sent amendments to the budget requests transmitted in February 1984. If appropriations had been enacted, the President proposed

either supplemental budget authority or rescission of enacted appropriations.

Amendments and requests for supplemental appropriations are printed in the documents of the House of Representatives and the Senate that are identified in part A of the following listing. The President's proposals for rescission are included in special messages to the Congress under the Impoundment Control Act of 1974 (Public Law 93-344). Both the special messages and monthly cumulative reports on the items they cover are printed in the Federal Register.

PART A. AMENDED AND SUPPLEMENTAL REQUESTS RELATING TO 1985 BUDGET AUTHORITY

Transmitted to Congress on	Agencies affected	Printed as
February 8, 1984.....	Legislative Branch	H. Doc. 98-169
February 21, 1984.....	International Security Assistance, Agency for International Development, Peace Corps, Department of Agriculture, Department of State, United States Information Agency.	H. Doc. 98-174
March 30, 1984.....	Department of Energy, Equal Employment Opportunity Commission, International Trade Commission, Commission on Executive, Legislative, and Judicial Salaries.	H. Doc. 98-193
May 7, 1984	Legislative Branch, Department of the Treasury, Federal Home Loan Bank Board	H. Doc. 98-218
June 12, 1984	Legislative Branch, Veterans Administration.....	H. Doc. 98-229
June 26, 1984	Legislative Branch, Department of Energy, Department of Justice	H. Doc. 98-236
August 16, 1984	Legislative Branch	H. Doc. 98-252
September 12, 1984	International Development Assistance, Agency for International Development, Department of Transportation.	H. Doc. 98-259
September 27, 1984	Veterans Administration.....	H. Doc. 98-269
September 27, 1984	Department of State	H. Doc. 98-270

PART B. REQUESTS FOR RESCISSION OF BUDGET AUTHORITY

There are no rescissions currently pending before the Congress.
Rescission proposals associated with the 1986 budget request are
shown in Part II of this appendix.

APPROPRIATIONS REQUESTED FOR OFFICES OF INSPECTORS GENERAL

A statement of the amounts of appropriations requested for the Offices of Inspectors General for Federal departments or establishments is provided below. This statement is submitted in accordance with section 201 of the Budget and Accounting Act, 1921, as amended by section 3 of the Federal Managers' Financial Integrity Act of 1982, Public Law No. 97-255. The following table shows the amount of budget authority requested for 1986 for the Offices of Inspectors General.

	<i>Budget authority 1986 estimate (in thousands of dollars)</i>
Offices of Inspectors General in Departments or other units:	
Agriculture	40,886
Commerce	13,210
Defense	62,313

Education	14,837
Energy	20,619
Health and Human Services	70,143
Housing and Urban Development	18,626
Interior	15,175
Labor	33,554
State	4,900
Transportation	26,951
Treasury	4,412
Agency for International Development	15,592
Environmental Protection Agency	17,646
General Services Administration	19,305
National Aeronautics and Space Administration	5,600
Office of Personnel Management	585
Small Business Administration	5,190
Veterans Administration	18,209
Total budget authority	407,753

GOVERNMENT-SPONSORED ENTERPRISES

Part V contains detailed budgets and explanatory statements of certain Government-sponsored enterprises. All of these enterprises were established and chartered by the Federal Government and are sponsored by a Government agency, although they are privately owned and generally privately financed. These budgets are not reviewed by the President; they are presented as submitted by the enterprises. This section includes:

- The Student Loan Marketing Association (SLMA); a corporation to assist in financing college student loans. It is sponsored by the Department of Education.

V-2

- The Federal National Mortgage Association; a mortgage finance corporation supervised by the Department of Housing and Urban Development.
- The banks for cooperatives, Federal intermediate credit banks, and Federal land banks; supervised by the Farm Credit Administration.
- The Federal home loan banks and the Federal Home Loan Mortgage Corporation; supervised by the Federal Home Loan Bank Board.

The Board of Governors of the Federal Reserve System provides calendar year data for its administrative budget for inclusion without further review. The Board's budget schedules and statements are provided here for information.

Net change in borrowing authority.....			
Outlays			

As part of the Government-sponsored enterprise user fee proposal, Fannie Mae will be charged a fee of .05 percent (five basis points) per year on the outstanding balance of mortgage-backed securities issued after September 30, 1985.

FARM CREDIT ADMINISTRATION

BANKS FOR COOPERATIVES

Program and Financing (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Program by activities:			
Operating expenses:			
1. Operating costs	67,281	71,072	82,595
2. Interest on borrowings	964,509	1,041,703	1,129,109
Total operating expenses	1,031,790	1,112,775	1,211,704
Capital investment:			
1. Loans made	27,139,580	29,294,846	31,110,444
2. Purchase of fixed assets	111,853	22,221	37,461
Total capital investment	27,251,433	29,317,067	31,147,905
Other expenses:			
1. Federal and other income taxes	1,335	896	970
2. Borrowers' equities retired	125,214	132,974	162,832
3. Patronage refunds paid in cash	40,931	40,658	44,640
Total other expenses	167,480	174,528	208,442
Total obligations	28,450,703	30,604,370	32,568,051
Financing:			
Offsetting collections from: Non-Federal sources	-28,464,553	-30,061,416	-32,154,013
Unobligated balance available, start of year: Fund balance	-1,200,537	-1,239,568	-1,292,058
Unobligated balance available, end of year:			
Fund balance	1,239,568	1,292,058	1,317,019
Redemption of debt	13,850		
Authority to borrow (permanent)	39,031	595,444	438,999
Relation of obligations to outlays:			
Obligations incurred, net	-13,850	542,954	414,038
Receivables in excess of obligations, start of year	-1,200,537	-1,239,568	-1,292,058
Receivables in excess of obligations, end of year	1,239,568	1,292,058	1,317,019
Outlays	25,181	595,544	438,999

Status of Direct Loans (in thousands of dollars)

Identification code	99-4120-0-3-351	1984 actual	1985 est.	1986 est.
Position with respect to limitation on obligations:				
1110 Limitation on obligations				
1130 Obligations exempt from limitation		27,139,580	29,294,846	31,110,444
1151 Obligations incurred, gross: Direct loans to the public		27,139,580	29,294,846	31,110,444
Cumulative balance of direct loans outstanding:				
1210 Outstanding, start of year		8,721,689	8,910,746	10,110,445
1231 New loans: Disbursements for direct loans		27,139,580	29,294,846	31,110,444

1251 Recoveries: Repayments and pre-payments	-26,950,523	-28,095,147	-29,960,273
1290 Outstanding, end of year	8,910,746	10,110,445	11,260,616

The 13 banks for cooperatives are under the general supervision of the Farm Credit Administration. They finance the operations of farmers' cooperatives. The funds to finance these loans are obtained primarily from sales of bonds to the public and from their own capital funds. The bonds issued by the banks are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their own income and are not included in the budget of the United States. Included in these expenses is the banks' share of the costs of the Farm Credit Administration.

The Farm Credit Act of 1955 provided for eventual ownership of the banks by farmers' cooperatives and the retirement of the U.S. Government's investment. This was accomplished on December 31, 1968, when the remainder of the U.S. Government capital was retired.

The banks for cooperatives presently operate under authorities contained in title III of the Farm Credit Act of 1971, Public Law 92-180, as amended.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Revenue	1,159,095	1,250,182	1,358,315
Expense	-1,031,790	-1,112,775	-1,211,704
Net operating income, total	127,305	137,407	146,611
Nonoperating loss:			
Other gains or losses	-588	-340	-370
Federal and other income taxes	-2,507	-2,418	-3,298
Net nonoperating loss	-3,095	-2,758	-3,668
Net income for the year	124,210	134,649	142,943

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Cash	34,781	18,156	19,990	20,330
U.S. securities (par)	41,099	36,620	49,020	52,877
Other securities	524,844	658,856	627,360	648,635
Accounts and notes receivable (net)	405,261	401,976	426,812	448,320
Selected assets:				
Deferred charges	6,211	9,816	10,096	10,535
Other assets	18,546	22,335	25,305	27,684
Loans to cooperatives	8,721,689	8,910,746	10,110,445	11,260,616
Assets acquired (net)	2,838	1,976	2,609	1,675
Fixed assets (net)	20,770	31,130	48,458	50,225
Total assets	9,776,039	10,091,611	11,320,095	12,520,897
Liabilities:				
Accounts payable and accrued liabilities	289,746	288,476	310,467	323,531
Provision for losses	119,558	134,220	140,784	153,954
Bonds and notes payable (net)	8,166,198	8,429,347	9,576,686	10,726,293
Total liabilities	8,575,502	8,852,043	10,027,937	11,203,778
Net equity	1,200,537	1,239,568	1,292,158	1,317,119
Total liabilities and net equity	9,776,039	10,091,611	11,320,095	12,520,897

BANKS FOR COOPERATIVES—Continued
Financial Condition (in thousands of dollars)—Continued

	1983 actual	1984 actual	1985 est.	1986 est.
Analysis of changes in net equity:				
Paid-in capital:				
Opening balance.....		830,701	835,486	857,599
Transactions: Acquisitions, net.....		4,785	22,113	17,306
Closing balance.....		835,486	857,599	874,905
Retained income:				
Opening balance.....		1,200,537	1,239,568	1,292,058
Net operating income.....		124,210	134,649	142,943
Patronage refunds.....		-40,931	-40,658	-44,640
Surplus other.....		-1,755	-3,225	-4,001
Allocated surplus revolved into capital stock and paid in cash.....		-877,979	-895,875	-944,246
Closing balance.....		404,082	434,459	442,114
Total net equity (end of year).....		1,239,568	1,292,058	1,317,019

Object Classification (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Personnel compensation: Full-time permanent.....	24,077	26,165	28,928
Personnel benefits: Civilian.....	6,784	7,340	8,064
Travel and transportation of persons.....	3,083	3,328	3,776
Communications, utilities, and other rent.....	4,418	4,825	5,229
Printing and reproduction.....	751	848	1,003
Other services.....	695	778	840
Equipment.....	1,833	2,009	2,260
Lands and structures.....	121,759	29,841	49,967
Investments and loans.....	27,139,580	29,294,846	31,110,444
Interest and dividends.....	964,509	1,041,703	1,129,109
Undistributed:			
Operating expenses.....	15,734	18,159	20,489
Federal and other income taxes.....	1,335	896	970
Borrowers' equities retired.....	125,214	132,974	162,332
Patronage refunds paid in cash.....	40,931	40,658	44,640
Total obligations.....	28,450,703	30,604,370	32,568,051

BANKS FOR COOPERATIVES
(Proposed legislation)

Program and Financing (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Program by activities:			
Total obligations (object class, other services)....			1,955
Financing:			
Offsetting collections from: Non-Federal sources..			-1,955
Net change in borrowing authority.....			
Outlays.....			

FEDERAL INTERMEDIATE CREDIT BANKS

Program and Financing (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Program by activities:			
Operating expenses:			
1. Operating costs.....	92,145	114,405	112,206
2. Interest on borrowings.....	1,871,085	2,071,783	2,137,191
Total operating expenses.....	1,963,230	2,186,188	2,249,397
Capital investment:			
1. Loans made.....	16,694,500	17,515,210	18,702,628
2. Purchase of fixed and other assets.....	98,712	33,986	0
Total capital investment.....	16,793,212	17,549,196	18,702,628
Other expenses: Patronage refunds.....	116,119	110,161	103,351
Total obligations.....	18,872,561	19,845,545	21,055,376
Financing:			
Offsetting collections from: Non-Federal sources.....	-19,618,728	-19,321,249	-20,084,825
Unobligated balance available, start of year: Fund balance.....	-1,921,538	-2,024,143	-2,130,801
Unobligated balance available, end of year: Fund balance.....	2,024,143	2,130,801	2,277,344
Redemption of debt.....	746,167	0	0
Authority to borrow (permanent).....	102,605	630,954	1,117,094
Relation of obligations to outlays:			
Obligations incurred, net.....	-746,167	524,296	970,551
Receivables in excess of obligations, start of year.....	-1,921,538	-2,024,143	-2,130,801
Receivables in excess of obligations, end of year.....	2,024,143	2,130,801	2,277,344
Outlays.....	-643,562	630,954	1,117,094

Status of Direct Loans (in thousands of dollars)

Identification code	99-4140-0-3-351	1984 actual	1985 est.	1986 est.
Positions with respect to limitations on obligations:				
1110	Limitations on obligations.....			
1130	Obligations exempt from limitations.....	16,694,500	17,515,210	18,702,628
1151	Obligations incurred, gross: Direct loans to the public.....	16,694,500	17,515,210	18,702,628
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year.....	19,666,992	18,924,718	19,521,684
1231	New loans: Disbursements for direct loans.....	16,694,500	17,515,210	18,702,628
1251	Recoveries: Repayments and prepayments.....	-17,436,774	-16,918,244	-17,572,699
1290	Outstanding, end of year.....	18,924,718	19,521,684	20,651,613

The 1986 Budget proposes legislation for charging all Government-sponsored enterprises a fee on new securities issued after September 30, 1985. The purpose of this fee is to reimburse the Federal Government for the privileges these enterprises enjoy as a result of their relationship with the Government. As part of this proposal, the Banks for Cooperatives will be charged a fee of .05 percent (five basis points) on the outstanding balance of debt issued during 1986. This fee will be raised to .083 percent per year on the outstanding balance of new debt issued in 1987 and beyond.

The 12 Federal intermediate credit banks are under the general supervision of the Farm Credit Administration. They serve as banks of discount for agriculture, discounting agricultural and livestock paper for, and making loans to local financing institutions such as production credit associations, agricultural credit corporations, livestock loan companies, and commercial banks. They also provide the production credit associations with necessary supervision and services.

The banks' lending funds are obtained primarily from the sale of bonds to the public and from their own capital funds. The bonds are not guaranteed by the U.S.

Government either as to principal or interest. All of their expenses are paid from their own income and are not included in the budget of the United States. Included in these expenses is the credit banks' share of the costs of the Farm Credit Administration.

The banks were originally wholly owned Government corporations set up exclusively as banks of discount; however, pursuant to the Farm Credit Act of 1956, the banks become mixed-ownership corporations and were made responsible for supervising the production credit associations and assisting them to make sound credit available to farmers.

All of the capital stock of the Federal intermediate credit banks, from organization in 1923 to December 31, 1956, was held by the U.S. Government. The 1956 act provided a long-range plan for the eventual ownership of the credit banks by the production credit associations and the gradual retirement of the Government's investment in the banks. This retirement was accomplished in full on December 31, 1968.

The Federal intermediate credit banks presently operate under authorities contained in title II of the Farm Credit Act of 1971, Public Law 92-181, as amended.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss:			
Revenue.....	2,130,096	2,348,701	2,432,119
Expense.....	-1,963,230	-2,186,188	-2,249,397
Net operating income, total.....	166,866	162,513	182,722
Nonoperating income or loss: Other gains or losses (-).....	-11,461	-33,548	-23,451
Net income for the year.....	155,405	128,965	159,271

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Cash.....	59,329	63,323	60,020	62,003
U.S. securities (par) ...	119,015	102,375	88,360	85,806
Other securities.....	838,782	818,831	901,153	877,723
Accounts and notes receivable (net).....	643,494	592,985	613,333	626,536
Selected assets:				
Deferred charges.....	8,182	10,983	10,353	11,105
Other assets.....	87,957	257,349	236,670	239,135
Loans and discounts	19,666,991	18,924,716	19,521,684	20,651,613
Fixed assets (net).....	58,242	75,339	60,903	62,169
Total assets.....	21,481,992	20,845,901	21,492,476	22,616,090
Liabilities:				
Accounts payable and accrued liabilities.....	602,151	616,806	685,939	718,434
Provision for losses.....	3,170	10,642	26,263	32,783
Bonds and notes payable (net).....	18,955,133	18,194,310	18,649,473	19,587,529
Total liabilities.....	19,560,454	18,821,758	19,361,675	20,338,746
Net equity.....	1,921,538	2,024,143	2,130,801	2,277,344
Total liabilities and net equity	21,481,992	20,845,901	21,492,476	22,616,090
Analysis of changes in net equity:				
Paid-in capital:				
Opening balance.....	1,303,911	1,367,230	1,455,084	
Transactions: Acquisitions, net.....	63,319	87,854	90,623	

Closing balance.....	1,367,230	1,455,084	1,545,707
Retained income:			
Opening balance.....	617,627	656,913	675,717
Transactions:			
Net operating income.....	155,405	128,965	159,271
Patronage refunds.....	-116,119	-110,161	-103,351
Closing balance.....	656,913	675,717	731,637
Total net equity (end of year).....	2,024,143	2,130,801	2,277,344

Object Classification (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Personnel compensation: Full-time permanent.....	47,809	52,132	55,538
Personnel benefits: Civilian.....	11,734	12,875	14,066
Travel and transportation of persons.....	5,128	5,573	5,924
Communications, utilities, and other rent.....	8,329	9,168	9,819
Printing and reproduction.....	2,324	2,549	2,683
Other services.....	9,712	24,272	15,761
Equipment.....	7,108	7,836	8,415
Lands and structures.....	98,713	33,986	
Investments and loans.....	16,694,500	17,515,210	18,702,628
Interest and dividends.....	1,871,085	2,071,783	2,137,191
Undistributed: Operating expenses; patronage refunds.....	116,119	110,161	103,351
Total obligations.....	18,872,561	19,845,545	21,055,376

FEDERAL INTERMEDIATE CREDIT BANKS

(Proposed legislation)

Program and Financing (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Program by activities:			
Total obligations (object class, other services)....			3,536
Financing:			
Offsetting collections from: Non-Federal sources..			-3,536
Net change in borrowing authority.....			
Outlays.....			

The 1986 Budget proposes legislation for charging all Government-sponsored enterprises a fee on new securities issued after September 30, 1985. The purpose of this fee is to reimburse the Federal Government for the privileges these enterprises enjoy as a result of their relationship with the Government. As part of this proposal, the Federal Intermediate Credit Banks will be charged a fee of .05 percent (five basis points) on the outstanding balance of debt issued during 1986. This fee will be raised to .083 percent per year on the outstanding balance of new debt issued in 1987 and beyond.

FEDERAL LAND BANKS

Program and Financing (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Program by activities:			
Operating expenses:			
1. Operating cost.....	279,086	375,830	392,206
2. Interest on borrowings.....	5,568,303	5,814,293	6,014,432
Total operating expenses.....	5,847,389	6,190,123	6,406,638
Capital investment:			
1. Loans made.....	4,284,853	5,156,486	5,886,572
2. Purchase of fixed and other assets	282,476	300,283	127,357
Total capital investment.....	4,567,329	5,456,769	6,013,929

FEDERAL LAND BANKS—Continued

Program and Financing (in thousands of dollars)—Continued

	1984 actual	1985 est.	1986 est.
Other expenses: Provision for losses	27,070	3,830	4,425
Total obligations	10,441,788	11,650,722	12,424,992
Financing:			
Offsetting collections from: Non-Federal sources	-9,625,180	-10,270,212	-10,490,640
Unobligated balance available, start of year: Fund balance	-5,867,540	-6,080,946	-6,480,143
Unobligated balance available, end of year: Fund balance	6,080,946	6,480,143	7,010,939
Authority to borrow (permanent)	1,030,017	1,779,707	2,465,148
Relation of obligations to outlays:			
Obligations incurred, net	816,608	1,380,510	1,934,352
Receivables in excess of obligations, start of year	-5,867,540	-6,080,946	-6,480,143
Receivables in excess of obligations, end of year	6,080,946	6,480,143	7,010,939
Outlays	1,030,014	1,779,707	2,465,148

Status of Direct Loans (in thousands of dollars)

Identification code	1984 actual	1985 est.	1986 est.
99-4160-0-3-371			
Position with respect to limitation on obligations:			
1110 Limitations on obligations			
1130 Obligations exempt from limitation	4,284,853	5,156,486	5,886,572
1151 Obligations incurred, gross: Direct loans to the public	4,284,853	5,156,486	5,886,572
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	51,614,248	52,361,789	53,841,213
1231 New loans: Disbursements for direct loans	4,284,853	5,156,486	5,886,572
1251 Recoveries: Repayments and prepayments	-3,537,312	-3,677,062	-3,548,781
1290 Outstanding, end of year	52,361,789	53,841,213	56,179,004

The Federal land banks, through the 438 Federal land bank associations, which are located at the local level, make long-term real estate loans to farmers and ranchers. These banks and associations are under the general supervision of the Farm Credit Administration. The funds to finance these loans are obtained primarily from the sale of the banks' bonds to the public and from their own capital funds. These bonds are not guaranteed by the U.S. Government either as to principal or interest. All of their expenses are paid from their income and are not included in the budget of the United States. Included in these expenses is the land banks' share of the costs of the Farm Credit Administration.

The last of the Government capital that had been invested in the banks was repaid in 1947.

The Federal land banks presently operate under authorities contained in title I of the Farm Credit Act of 1971, Public Law 92-181, as amended.

Revenue and Expense (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Operating income or loss (—):			
Revenue	6,020,036	6,453,648	6,733,063
Expense	-5,847,389	-6,190,123	-6,340,344
Net operating income, total	172,647	263,525	392,719
Nonoperating income: Other gains	31,591	24,334	29,460
Net income for the year	204,238	287,859	422,179

Financial Condition (in thousands of dollars)

	1983 actual	1984 actual	1985 est.	1986 est.
Assets:				
Cash	33,456	40,305	38,884	39,887
U.S. securities (par)	261,508	257,582	275,768	279,590
Other securities	507,973	554,372	596,190	629,934
Accounts and notes receivable (net)	2,800,789	2,762,627	2,941,725	3,092,998
Selected assets:				
Deferred charges	55,480	59,502	60,151	63,665
Other assets	120,582	318,773	375,946	353,589
Mortgage loans	51,614,248	52,361,789	53,841,213	56,179,004
Delinquent installments, etc	226,000	297,344	302,485	290,284
Fixed assets (net)	67,371	78,754	93,141	92,394
Total assets	55,687,407	56,731,048	58,525,503	61,021,345
Liabilities:				
Accounts payable and accrued liabilities	2,399,701	2,483,722	2,632,635	2,739,846
Provision for losses	527,367	540,990	555,738	586,432
Bonds and notes payable	46,892,799	47,625,390	48,856,987	50,684,128
Total liabilities	49,819,867	50,650,102	52,045,360	54,010,406
Net equity	5,867,540	6,080,946	6,480,143	7,010,939
Total liabilities and net equity	55,687,407	56,731,048	58,525,503	61,021,345
Analysis of changes in net equity:				
Paid-in capital and participation certificates:				
Opening balance	2,843,739	2,879,980	2,995,148	
Transactions: Acquisitions, net	36,241	115,168	179,336	
Closing balance	2,879,980	2,995,148	3,174,484	
Retained income:				
Opening balance	3,023,801	3,200,966	3,484,995	
Transactions: Transfer from provision for losses	-30,238	-7,660	-8,850	
Net operating income	204,238	287,859	355,885	
Dividends	3,165	3,830	4,425	
Closing balance	3,200,966	3,484,995	3,836,455	
Total net equity (end of year)	6,080,946	6,480,143	7,010,939	

Object Classification (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Personnel compensation: Full-time permanent	51,103	56,760	62,272
Personnel benefits: Civilian	12,864	14,149	15,477
Travel and transportation of persons	4,622	5,203	5,664
Communications, utilities, and other rent	10,039	11,098	12,045
Printing and reproduction	2,660	2,978	3,310
Other services	36,260	40,778	44,315
Equipment	6,812	7,980	8,669
Lands and structures	326,625	375,939	186,429
Investments and loans	4,284,853	5,156,486	5,886,572
Interest and dividends	5,571,465	5,818,123	6,018,857

Undistributed operating expenses.....	134,485	161,228	181,382
Total obligations.....	10,441,788	11,650,722	12,424,992

FEDERAL LAND BANKS
(Proposed legislation)

Program and Financing (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Program by activities:			
Total obligations (object class, other services)....			3,250
Financing:			
Offsetting collections from: Non-Federal sources..			—3,250
Net change in borrowing authority.....			
Outlays			

The 1986 Budget proposes legislation for charging all Government-sponsored enterprises a fee on new securities issued after September 30, 1985. The purpose of this fee is to reimburse the Federal Government for the privileges these enterprises enjoy as a result of their relationship with the Government. As part of this proposal, the Federal Land Banks will be charged a fee of .05 percent (five basis points) on the outstanding balance of debt issued during 1986. This fee will be raised to .083 percent per year on the outstanding balance of new debt issued in 1987 and beyond.

FEDERAL HOME LOAN BANK BOARD

FEDERAL HOME LOAN BANKS

Program and Financing (in thousands of dollars)

	1984 actual	1985 est.	1986 est.
Program by activities:			
Operating expenses:			
Administrative expenses.....	144,226	170,118	190,236
Interest on consolidated obligations....	6,265,468	6,800,000	7,700,000
Interest on members' deposits.....	1,292,850	1,500,000	1,350,000
Interest on interbank borrowing.....	170,973	200,000	220,000
Interest—other.....	21,746	10,000	12,000
Dividends on capital stock.....	591,927	500,000	600,000
Federal Home Loan Bank Board assessments.....	14,481	16,000	18,000
Total expenses.....	8,501,671	9,196,118	10,090,236
Capital investment:			
Investment in bank premises.....	10,496	12,600	13,600
Advances to members.....	75,130,248	84,500,000	86,500,000
Repurchase of capital stock.....	293,586	300,000	400,000
Net decrease in deposit.....			
Total capital investment.....	75,434,330	84,812,600	86,913,600
Changes in selected resources.....	—20,027	21,978	—4,000
Total obligations.....	83,915,974	94,030,696	96,999,836
Financing:			
Offsetting collections from:			
Federal funds.....	—1,676,701	—1,100,000	—2,050,000
Non-Federal sources.....	—70,280,094	—85,307,671	—89,454,836
Unobligated balance available, start of year.....	—11,613,465	—15,283,669	—16,250,000
Unobligated balance available, end of year.....	15,283,669	16,250,000	16,750,000
Net borrowing.....	15,629,383	8,589,356	5,995,000
Relation of obligations to outlays:			
Obligations incurred, net.....	11,959,179	7,623,025	5,495,000
Obligated balance, start of year.....		135,956	250,000

Receivables in excess of obligations, start of year.....	—318,548		
Obligated balance, end of year.....	—135,956	—250,000	—150,000
Receivables in excess of obligations, end of year.....			
Outlays.....	11,504,675	7,508,981	5,595,000

Status of Direct Loans (in thousands of dollars)

Identification code	99-4200-0-3-371	1984 actual	1985 est.	1986 est.
Position with respect to limitation on obligations:				
1110 Limitation on obligations.....				
1130 Obligations exempt from limitation.	75,130,248	84,500,000	86,500,000	
1151 Obligations incurred, gross: Direct loans to the public.....	75,130,248	84,500,000	86,500,000	
Cumulative balance of direct loans outstanding:				
1210 Outstanding, start of year.....	60,431,841	74,876,054	84,269,675	
1231 New loans: Disbursements for direct loans.....	75,130,248	84,500,000	86,500,000	
1251 Recoveries: Repayments and prepayments.....	—60,686,035	—75,106,379	—82,741,845	
1290 Outstanding, end of year.....	74,876,054	84,269,675	88,027,830	

The 12 Federal Home Loan Banks are chartered and supervised by the Federal Home Loan Bank Board under the authority of the Federal Home Loan Bank Act of 1932. The banks are financial institutions whose main function is to supply their members—principally savings and loan-type institutions and savings banks—with credit to smooth their operations and enhance their service to the public as savings media and home-mortgage lenders. Each bank operates in a geographic district designated by the Board and together the banks cover all of the United States as well as Puerto Rico, the Virgin Islands, and Guam. In 1984, the banks extended credits of \$75.1 billion and received repayments of \$60.0 billion. Advances outstanding on September 30, 1984, totaled \$73.0 billion.

The principal source of funds for the lending operation is the sale of consolidated obligations of the banks to the public. On September 30, 1984, \$67.4 billion of these obligations were outstanding. The consolidated obligations are not guaranteed by the U.S. Government as to principal or interest. Other sources of lendable funds include a portion of members' deposits as determined by Board policy (total deposits were at \$15.0 billion on September 30, 1984) and funds paid for the purchase of capital stock by member institutions, amounting to \$6.9 billion at the end of 1984. Funds not immediately used for advances to members are invested until such times as needed.

The capital stock of the Federal home loan banks is owned entirely by the members. Initially the U.S. Government purchased stock of the banks in the amount of \$125 million. The banks had repurchased the Government's investment in full by mid-1951.

The entire operating expenses of the banks are paid from their own income and are not included in the budget of the United States. Included in these expenses is the assessment by the Federal Home Loan Bank Board to cover a portion of the Board's administrative and other costs.

